



**BOARD REPORT**

NO. 16-149

DATE: JULY 13, 2016

C.D. 14

**BOARD OF RECREATION AND PARK COMMISSIONERS**

SUBJECT: JOY PICUS CHILD CARE CENTER – TUITION RATE AND FEE INCREASE

AP Diaz	_____	*V. Israel	_____
R. Barajas	_____	K. Regan	_____
H. Fujita	_____	N. Williams	_____

  
 \_\_\_\_\_  
 General Manager

Approved

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATIONS

1. Approve a 3.5% tuition rate and fee increase for the Joy Picus Childcare Center located within City Hall South, in accordance with Contract No. 3538 between the City of Los Angeles and Mount Washington Preschool and Childcare Center, Inc.; and,
2. Approve the proposed monthly tuition rates and fees page for 2016–17, as attached hereto with such rates and fees to be effective August 1, 2016.

SUMMARY

Mount Washington Preschool and Childcare Centers, Inc. (Contractor) has successfully operated the Joy Picus Child Care Center since July 1, 2009, within City Hall South located at 111 East First Street, Los Angeles, California 90012. Located on City of Los Angeles (City) property that is not dedicated park property, this childcare center primarily serves the children of City employees, but with services also offered to the general public contingent upon available space. Contract No. 3538 (Contract) between the Contractor and the City, attached to this Report as Exhibit A, was awarded to the Contractor through a Request for Proposals process and was executed on January 6, 2016. The Contract has a term of five (5) years, from July 1, 2015 to June 30, 2020, with one five-year option to extend at the discretion of the Department of Recreation and Parks (RAP) General Manager.

Pursuant to the terms and conditions of the Contract (Section 6.10), Contractor may submit a written request to RAP for authorization to increase the tuition rate and fees on a yearly basis. The written request must include substantiation for the requested increase. The tuition and fees may not be increased by more than a maximum of 3.5% per year and is subject to approval by the Board of Recreation and Park Commissioners (Board).

RAP received a request from the Contractor for a tuition and fee increase of 3.5% for Fiscal Year 2016-17, effective August 1, 2016. Attached, as Exhibit B, is a monthly tuition and

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fees rate sheet reflecting the requested 3.5% increase. The proposed rate sheet has been reviewed by staff to ensure it does not exceed the 3.5% increase over the previous fiscal year, as allowed by the Contract. The Contractor has cited as justification for the requested rate increases, that in order to meet the City's required minimum wage of Fifteen Dollar (\$15.00) per hour by the year 2020, Contractor will be required to increase teacher salaries by 3.5% each year during the initial term of the Contract, commencing July 1, 2016. Consequently, the Contractor will also be required to submit to RAP annually for Board approval, requests for 3.5% annual tuition and fee increases each year throughout the remainder of the Contract's initial term. The Contractor also conveyed to RAP that the proposed tuition and fee increase(s) were discussed at a meeting of the Joy Picus Parent Advisory Committee on June 6, 2016, and that the parents indicated they understood the reason(s) for the proposed increase and concurred, providing their support for the requested tuition increases.

As the Contractor will be paying increased salaries to teachers in response to the City's minimum wage requirements in order to cover increased staff salaries, and enable the Contractor to recruit and retain quality teachers, staff recommends that the Board approve the Joy Picus Childcare Center proposed monthly tuition and fee increases reflected on the attached tuition and fees rate sheet for Fiscal Year 2016-17.

### FISCAL IMPACT STATEMENT

Approving the tuition and fee increases has no impact to RAP's General Fund as all tuition and fees are retained by Contractor to offset childcare center operating expenses.

This report was prepared by Joel Alvarez, Senior Management Analyst II, Partnership Division.

### LIST OF EXHIBITS

- 1) Exhibit A: Joy Picus Childcare Center Contract No. 3538
- 2) Exhibit B: Joy Picus Child Development Center 2016-17 Monthly Tuition and Fee Rates

**CONTRACT**  
**BETWEEN**  
**THE CITY OF LOS ANGELES**  
**AND**  
**MOUNT WASHINGTON PRESCHOOL AND CHILDCARE CENTER, INC.**  
**FOR THE**  
**OPERATION OF THE JOY PICUS CHILD CARE CENTER**

This operations contract ("CONTRACT") is entered into as of JANUARY 6, 2016, by and between the City of Los Angeles ("CITY"), a municipal corporation acting by and through its Board of Recreation and Park Commissioners ("BOARD") and Mount Washington Preschool and Childcare Center, Inc., a California nonprofit corporation ("CONTRACTOR"), for the operation of a licensed child care facility at the Joy Picus Child Care Center. CITY and CONTRACTOR may be referred to herein individually as "PARTY" and collectively as "PARTIES".

WHEREAS, CITY owns and operates real property commonly known as City Hall South ("PROPERTY"), located at 111 East First Street, Los Angeles, California 90012; and,

WHEREAS, CITY has dedicated a portion of the PROPERTY as the Joy Picus Child Care Center ("CENTER") since January 1989, for the purpose of providing child care services for the benefit of City of Los Angeles employees and the public, through a private contractor; and,

WHEREAS, on September 3, 2014, the BOARD approved a Request for Proposal (RFP) process to identify a responsive and responsible operator to continue childcare services at the CENTER (Report No. 14-235); and,

WHEREAS, on November 17, 2014, Mount Washington Preschool and Childcare Center, Inc. (referred to herein as "CONTRACTOR"), submitted a proposal to operate the CENTER and provide child care services as described in the RFP; and,

WHEREAS, on March 19, 2015, the BOARD approved the award of this CONTRACT to CONTRACTOR for the operation of the CENTER (Report No. 15-053); and,

WHEREAS, CONTRACTOR agrees to fulfill the above obligations and commitments in accordance with the terms and conditions contained herein for the benefit of the needs of the patron(s) of the CENTER.

NOW, THEREFORE, in consideration of the foregoing and the terms and conditions set forth herein and the performance thereof, PARTIES hereby agree as follows:

**SECTION 1 – DEFINITIONS**

- CENTER: The portion of City Hall South designated as the Joy Picus Child Care Center, dedicated for the provision of child care services.
- CHS: City Hall South, located at 111 East First Street, Los Angeles, California 90012.
- CITY: The City of Los Angeles, a municipal corporation acting by and through its Board of Recreation and Park Commissioners.
- CONTRACTOR: Mount Washington Preschool and Childcare Center, Inc.
- BOARD: The Board of Recreation and Park Commissioners of the City of Los Angeles.
- RAP: The Department of Recreation and Parks of the City of Los Angeles.
- GM: General Manager of the Department of Recreation and Parks
- GSD: The Department of General Services of the City of Los Angeles.
- ITA: The Information Technology Agency of the City of Los Angeles.

**SECTION 2 - PARTIES TO CONTRACT AND REPRESENTATIVES**

2.1 The Parties to this CONTRACT are:

- CITY: The City of Los Angeles, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners  
Board of Recreation and Park Commissioners  
P.O. Box 86328  
Los Angeles, CA 90086-0328

CONTRACTOR: Mount Washington Preschool and Childcare Center, Inc., a California nonprofit corporation  
4601 North Figueroa Street  
Los Angeles, CA 90065

- 2.2 The representatives of the PARTIES who are authorized to administer this CONTRACT and to whom formal notices, demands, and written communications shall be given are as follows:

CITY: Joel Alvarez, Senior Management Analyst  
Partnership Division  
3900 Chevy Chase Drive  
Los Angeles, CA 90039  
  
Tel. (818) 243-6488  
Fax (818)243-6447  
Email [Joel.alvarez@lacity.org](mailto:Joel.alvarez@lacity.org)

**Note:** For purposes of this CONTRACT, the CITY representative above, or his successor, shall be referred to herein as "City Liaison".

CONTRACTOR: Mount Washington Preschool and Childcare Center, Inc.  
Darlene Cabrera, Executive Director  
4601 North Figueroa Street  
Los Angeles, CA 90065  
  
Tel. (323) 222-7114  
Email [hpccc@sbcglobal.net](mailto:hpccc@sbcglobal.net)

- 2.3 Formal notices, demands and communications to be given hereunder by either party shall be made in writing and may be effectuated by personal delivery or by registered or certified mail, postage prepaid, return receipt requested or through electronic mail (E-Mail), facsimile, or hard copy, and shall be deemed communicated as of the date of receipt.
- 2.4 If the name of the person(s) designated to receive the notices, demands or communications, or the address or other pertinent information of such person is changed, written notice shall be given to the other PARTY within ten (10) working days of such change.

### SECTION 3 - TERM OF CONTRACT

The duration of this CONTRACT ("TERM") shall be effective upon attestation by the City Clerk and shall become operational as of July 1, 2015, and shall terminate on June 30, 2020.

The TERM may be extended for one (1) additional five (5) year option at the discretion of the RAP General Manager.

Neither CITY, nor any board member, officer, or CITY employee thereof shall be liable in any manner to CONTRACTOR because of any action taken to revoke, decline to exercise an option, or disapprove a renewal of this CONTRACT.

#### **SECTION 4 - FACILITY AND SITE DESCRIPTION**

##### **4.1 FACILITY:**

The CENTER is located in the downtown Los Angeles Civic Center, on the Northwest corner of First Street and Los Angeles Street (111 East First Street, Los Angeles, California 90012), within Los Angeles City Hall South. The CENTER has the capacity to be licensed by the State of California for up to eighty-six (86) children (infants, toddlers, and/or preschool-age children). The facility is presently licensed for twenty-six (26) infants and toddlers, and sixty (60) preschool-age children.

The CENTER is presently furnished and equipped to serve infants, toddlers, and preschool-age children. The existing equipment, hardware, furnishings, materials and supplies purchased and owned by the CITY will remain with the CENTER for use by the CONTRACTOR.

Any equipment, hardware, furnishings, materials and/or supplies purchased by CONTRACTOR with CITY funds, or with funds from parent fundraising activities, shall be owned by the CITY and will remain with the CENTER upon expiration or termination of this CONTRACT. Any equipment, hardware, furnishings, materials and/or supplies purchased by CONTRACTOR with its own funding (neither provided by CITY or from parent fundraising activities) shall be owned by the CONTRACTOR and shall not become a fixture of the CENTER.

##### **4.2 SITE DESCRIPTION:**

The interior of the CENTER is approximately 9,500 square feet and the adjacent outdoor playground is approximately 6,500 square feet, which for purposes of this CONTRACT constitutes the entire CENTER, which includes:

###### **a) Interior**

1. Four (4) separate classroom areas ranging from 800 to 1,200 square feet each (Infant, Toddler, Preschool 1 and Preschool 2);
2. Three (3) children's restrooms;
3. One (1) non-commercial food preparation kitchen;
4. One (1) laundry area with washer and dryer;

5. An administrative area with a front check-in counter and a separate office for use by administrative staff;
6. One (1) teacher's office;
7. One (1) staff lounge area;
8. One (1) computer/conference room;
9. Two (2) adult restrooms; and,
10. A 24-Hour key card security alarm system and entrance monitoring cameras at the front door, back door, and play area.

b) Exterior / Playground

1. Two (2) multi-surface playgrounds with sand and resilient rubber surfaces;
2. Resilient rubber surface walkways and tricycle ways;
3. A playground structure for infants, toddlers, and preschooler-age children;
4. An outdoor restroom in the playground area; and,
5. An enclosed buffered tile wall.

c) Parking

1. A thirty (30) minute passenger, unloading/loading turnout zone is located in front of CENTER on Los Angeles Street. CONTRACTOR shall provide enrolled families with a pass to park in the turnout zone. There are seven (7) thirty (30) minute parking spaces available during drop-off and pick-up times, and two (2) additional parking spaces provided in CITY's underground parking garage near the loading and unloading area;
2. Employee parking at CENTER is not provided and will be subject to parking enforcement.

**SECTION 5 - CITY'S PHILOSOPHY ON CHILD CARE**

CITY's philosophy is that the CENTER should provide children with a safe, caring, nurturing, and consistent environment. The children should be treated with respect and appreciation of their interests, to allow them to grow and develop according to their own schedule and needs.

The overall experience they receive at the CENTER should enrich their lives socially, cognitively, physically and emotionally and should enhance their individual capabilities by appreciating and reflecting their diverse qualities in the learning environment and curriculum.

## SECTION 6 - CONTRACTOR'S RESPONSIBILITIES

The following are CONTRACTOR's responsibilities for managing and operating the CENTER:

### 6.1 General Operation

CONTRACTOR shall manage and operate a child care program at the CENTER for the CITY, which provides high quality child care services for a licensed capacity of eighty-six (86) children, ages 6 weeks to under 6 years of age.

### 6.2 Hours and Days of Operation

The hours and days of operation for the CENTER, for child care services, shall be from 6:30 a.m. to 6:00 p.m., Monday through Friday, excluding the following City of Los Angeles recognized employee holidays: New Year's Day; Martin Luther King Jr.'s Birthday; George Washington's Birthday; Cesar Chavez' Birthday; Memorial Day; Independence Day; Labor Day; Columbus Day; Veterans Day; Thanksgiving Day and the Friday after Thanksgiving; and, Christmas Day.

It is understood that CONTRACTOR staff participate in staff development sessions up to three (3) days per year on days scheduled at the beginning of each calendar year, requiring that the CENTER be closed on the selected days. CONTRACTOR agrees to submit a written request to RAP on or before November 1st of each year, for authorization to close the CENTER on the days selected during the upcoming calendar year for CENTER staff's participation in staff development training sessions.

### 6.3 Operating Responsibilities

CONTRACTOR shall manage and operate the CENTER in a manner consistent with the CITY's philosophy as set forth above, so as to maintain a high quality child development and education center. In addition to the services set forth in this CONTRACT, CONTRACTOR shall be responsible for maintaining the CENTER's operating income through the collection of CENTER fees, pre-approved by the BOARD in writing, and must fully accept any and all risk of operating losses associated with the operation of the CENTER. CONTRACTOR may not use the facility for any other purpose other than child care and related services.

Contractor Shall:

- a) Establish a Center philosophy and curriculum that promotes the best practices in the field of early care and education that is consistent with the CITY's Philosophy, as set forth in Section 5 of this CONTRACT.

- b) Establish and maintain a child care program with effective procedures to ensure the health, safety, and security for all persons while they are involved in the CENTER program.
- c) Develop and maintain a quality program curriculum, with culturally and developmentally appropriate goals and activities.
- d) Implement a holistic curriculum that is well-researched, developmentally-appropriate, and responsive to the diverse needs of the children and their families.
- e) Have primary responsibility to ensure that the CENTER is a safe and healthy environment and meets the regulations of Title 22 of the California Code of Regulations (CCR), including notifying the BOARD of any conditions at the Center that are the CITY's responsibility to address, as set forth in Section 7 of this CONTRACT.
- f) Obtain and maintain a State of California Child Care License for the CENTER, and on an ongoing basis, must meet or exceed the licensing requirements of Title 22, Division 12 of the CCR, as regulated by the Community Care Licensing Division of the State of California Department of Social Services. CONTRACTOR will ensure a copy of the current updated License is provided to the City Liaison, and upon request, to the BOARD. CONTRACTOR will be solely responsible for the operation of the CENTER in compliance with the licensing and permit requirements as set forth by Title 22, Division 12 of the CCR, Community Care Licensing Division.
- g) Ensure that the CENTER obtains National Association for the Education of Young Children (NAEYC) accreditation prior to the expiration of the first five-year term of this CONTRACT, provide copies to the City Liaison, and upon request, to the BOARD. CONTRACTOR shall maintain such accreditation throughout the term of this CONTRACT, and if exercised, during the five (5) year option period.
- h) Be responsible to obtain and pay all required business licenses and permits, as may be required for the management and operation of the CENTER, including fire clearance necessary for CONTRACTOR's performance hereunder, and pay any and all fees required for such licenses, permits, and/or clearances.

#### 6.4 Policies and Procedures

- a) Develop and maintain a policies and procedures manual for the operation of the CENTER, including but not limited to, protocols for communication with the City Liaison, and oversee the implementation of said policies and

procedures. CONTRACTOR shall update the manual as necessary and submit a copy of the manual annually for review by RAP.

- b) Establish and maintain a system to develop strong, working relationships among CENTER personnel and consumer-parents, while protecting personal rights and respecting applicable confidentiality regulations.
- c) Establish and maintain program quality assessments and participate in program evaluations by RAP, beginning six (6) months after start-up of CENTER operations and not less than annually thereafter, to ensure the quality of, and adherence to, the CENTER program.
- d) Develop, implement, and maintain admission procedures in conformance with Title 22, Division 12 of the CCR.
- e) Provide a procedure for receiving and releasing the children to parents and those authorized by the parents, to ensure the safety and security of the children.
- f) Assess and collect fees from consumer-parents.
- g) Require that all staff become certified in first aid and Cardiopulmonary Resuscitation (CPR); that both the Site Supervisor and Head Teacher complete fifteen (15) hours of Health and Safety training; and, continually renew such certification(s) and training as required by State regulations.
- h) Develop procedures for identifying any and all repair, servicing and replacement needs for items in which the CITY is responsible.
- i) Submit maintenance requests to the City Liaison in a timely manner for repairs and/or maintenance to be performed by RAP, GSD, and/or ITA staff. Such requests shall be submitted pursuant to the procedures established in coordination with the City Liaison, with follow-up notices to the City Liaison as necessary for each maintenance and/or repair request.
- j) Immediately provide RAP with copies of any reports submitted to the California State Department of Social Services or Licensing Agency.
- k) Assume the cost of all non-local telephone calls.
- l) Assume the cost of any applicable Possessory Interest tax as determined by the County of Los Angeles Tax Assessor.

#### 6.5 Emergency Policies and Procedures

In coordination with the City Liaison, CONTRACTOR shall:

- a) Establish and maintain policies and procedures to be used during emergencies and other disruptive occurrences affecting the CENTER. These policies and procedures shall supplement the Disaster and Mass Casualty Plan required by Title 22, of the CCR, Section 101174.
- b) Ensure Emergency Preparedness kits are available and maintained in each classroom. CONTRACTOR must maintain at the CENTER, the appropriate level of emergency supplies needed for the care and feeding of children and employees for a minimum of forty-eight (48) hours.
- c) Maintain a parent/guardian emergency contact list of names and telephone numbers of each child enrolled at the CENTER. This list shall also include multiple contacts for immediate family members or extended family members of each child, and all available medical and emergency contact information.

#### 6.6 Staffing

- a) Fully staff and maintain the CENTER at a 4:1 ratio in the Infant Room; a 4:1 ratio in the Toddler Room; and, a 12:1 ratio in the Preschool Room. Such ratios must be maintained at all times, except during designated naptime(s), and must be in accordance with Title 22, Division 12 of the CCR.
- b) Make provisions for overlap of staff at the CENTER between separate shifts in order to ensure continuity of care.
- c) Maintain an appropriate number of staff "floaters" for use as needed at the CENTER to address potential gaps in staff coverage.

#### 6.7 Hiring, Training and Professional Development

- a) Establish and maintain a system for the selection, supervision and training of qualified staff, including compliance with applicable Affirmative Action and Equal Employment Opportunity regulations, and American with Disabilities Act (ADA) and related guidelines and regulations.
- b) Implement a structured, systematic training and professional development program that is linked to clear goals and outcomes for staff employed and enrolled children at the CENTER.

#### 6.8 Employee Manual

CONTRACTOR shall maintain and oversee adherence to a current and updated Employee Manual specific to the CENTER, addressing employment policies and practices, employee benefits, and childcare licensing compliance updates and requirements.

#### 6.9 Removal of Key Personnel

CONTRACTOR shall provide the City Liaison with a list of the names of Key Personnel for the CENTER, including the following or similar personnel:

- a) Executive Director;
- b) Chief Operating Officer;
- c) Site Supervisor; and,
- d) Head Teacher.

CONTRACTOR shall provide the City Liaison with a notice of intent prior to the reassignment or removal of Key Personnel at the CENTER. The notice of intent should include a detailed explanation of how the CONTRACTOR will continue to perform its responsibilities and meet its obligations under the CONTRACT upon completion of the staffing change.

CONTRACTOR may provide the notice of intent to the City Liaison through electronic mail (E-mail), facsimile, or hard copy, provided to the RAP contact listed in Section 2.2 of this CONTRACT.

Reassignment or removal of Key Personnel without the prior notice of intent provided to the City Liaison can be considered a material breach of this CONTRACT and possible grounds for termination of this CONTRACT.

#### 6.10 Tuition and Fees

- a) Upon commencement of this CONTRACT, the tuition and fees shall be set forth as listed in EXHIBIT-A, attached hereto and incorporated herein by reference. Such tuition and fees shall remain in effect until any change is approved in writing by the BOARD.
- b) CONTRACTOR may submit a written request to the City Liaison for authorization to increase the tuition rate and schedule of fees on an annual basis. The written request must include justification and pertinent documents substantiating the requested increase. Any increase may not take effect until approved in writing by the BOARD.
- c) The tuition rate and schedule of fees may not be increased by more than a maximum of 3.5% per year, subject to written approval by the BOARD.

#### 6.11 Operating Budget

CONTRACTOR shall initially manage and operate the CENTER in accordance with the initial annual operating budget attached hereto and incorporated herein by reference as EXHIBIT-B, which consequently was approved by the CITY through its selection of the CONTRACTOR for award of this CONTRACT.

CONTRACTOR shall provide revised annual operating budgets in accordance with Section 6.17.1 of this CONTRACT.

6.12 Enrollment Process and Wait List Policy

In accordance with the priorities set forth below, CONTRACTOR shall administer the enrollment process, including but not limited to, the orientation of prospective families, the collection of registration, tuition, and parent fees, and the management of an enrollment and waiting list policy as follows:

- a) CITY Employees shall be given the highest priority, and every effort by the CONTRACTOR shall be made to ensure that the enrollment spaces at the CENTER are utilized by the children of CITY employees before anyone else.
- b) Consideration by the CONTRACTOR may be given to siblings of existing enrolled children.
- c) Two (2) separate wait-lists shall be maintained by the CONTRACTOR; one (1) for full-time CITY Employees and one (1) for part-time CITY employees. The full-time wait-list shall be exhausted for each category before beginning selections from the part-time wait-list.
- d) Upon achieving no vacancies in any given age group, the following wait-list protocol shall be utilized by the CONTRACTOR:
  1. Siblings of CITY employed families, which includes the Department of Water and Power (DWP);
  2. Siblings of non-CITY employed families whose children are enrolled at the CENTER;
  3. CITY employees without children's siblings enrolled at the CENTER;
  4. Children of the CENTER staff;
  5. Los Angeles CITY residents without children's siblings enrolled at CENTER;
  6. Non-Los Angeles CITY residents.
- e) CONTRACTOR shall ensure that each applicant is placed on the wait-list within their respective categories in the order of their application date.

6.13 Recruitment and Program Promotion

- a) CONTRACTOR shall develop a plan to promote the CENTER with the objective of achieving full enrollment. The plan may include participating in publicity, media, and recruitment activities to promote the CENTER. CONTRACTOR must obtain approval from the City Liaison prior to participating in such media events and promotional activities when related to the CENTER.

- b) CONTRACTOR shall promote quality programming through such activities as seeking new, creative means to improve or enhance services, fund development, improve training and community relations, and other related efforts.

#### 6.14 Parent Engagement and Participation

CONTRACTOR shall develop and implement a plan for encouraging parent engagement and participation in CENTER activities, including but not limited to:

- a) Establishing a regular parent meeting schedule;
- b) Creating and distributing a Parent Handbook;
- c) Support and participation in a Parent Advisory Committee;
- d) Establishing a formal mechanism to track and address parent concerns; and,
- e) Provide clear written directions and establish parameters for involving parents in policy and decision-making processes.

#### 6.15 Subcontracting of Services

- a) The subcontracting of childcare services provided to the children of the CENTER shall be strictly prohibited. All childcare services shall be provided by the CONTRACTOR.
- b) CONTRACTOR may provide hot lunches and enrichment programs through vendors (e.g., music, art, dance, etc.).
- c) CONTRACTOR may provide supplemental services that the CONTRACTOR deems appropriate and beneficial for the children (e.g., nutritionist, nurse, educational therapist).

#### 6.16 Nutrition

CONTRACTOR may provide the following for the CENTER:

- a) A hot lunch program and infant food program, should CONTRACTOR determine such program to be feasible.
- b) Nutritional supplements in the morning, afternoon, and/or late afternoon, with appropriate consideration given for ethnic and cultural preferences, and special diets. Parents shall reserve the right to choose for their child or children to not participate.

- c) Appropriate infant care food services for each infant in accordance with Title 22, Division 12 of the CCR, using food provided by the consumer-parent.

6.17 Reports Required from Contractor

The CENTER benefits from the use of public funds and as such, any and all information connected to the operation of the CENTER must remain open and subject to public scrutiny.

Being that the CONTRACTOR is a non-profit entity operating on City-owned property, funding and expenditures are not to be commingled with that of any business operations at other childcare and/or business locations operated by the CONTRACTOR or any other entity. The following reports must be provided by CONTRACTOR to the City Liaison:

1. **Proposed Annual Budget**

By the first day of April of each year, CONTRACTOR must provide RAP with a detailed proposed budget for the CENTER for the following fiscal year (July 1<sup>st</sup> – June 30<sup>th</sup>). The proposed budget will consist of anticipated revenue and expenditures; both with a description of budget assumptions and calculations.

2. **Annual Audited Statements**

By the first day of December of each year, CONTRACTOR must provide the City Liaison a verified and audited statement for the previous fiscal year (July 1<sup>st</sup> – June 30<sup>th</sup>).

3. **Bi-Annual Reports**

A. Bi-Annual Reports shall be due to the City Liaison on:

1. First Half Report – February 1<sup>st</sup> (for July - December);
2. Second Half Report - August 1<sup>st</sup> (for January - June);

B. The Bi-Annual Reports shall each contain the following:

1. Budget to Actual Report of the actual revenues and expenses for the affected six (6) month period, with a narrative explanation of variances from the budgeted item.
2. An Enrollment List by classroom assignment that includes the child's name, parent's name, attendance status (e.g., full-time, part-time), and attendance for the month (number of days attended).

3. Wait-Lists, one for full time City employees and one for part-time City employees, which include the date that the child/children was/were added to the waiting list, the child's and parent's name(s), and potential future classroom assignment.
4. Staffing List that includes each employee's name, title, classroom or work-assignment, and work schedule (e.g., full-time or part-time). The Staffing List should identify major changes in work assignment, including reassignments, removals, and terminations.

BOARD reserves the right to require the CONTRACTOR to provide the reports in a manner acceptable to RAP.

#### 6.18 Contractor Records

- a) CONTRACTOR must maintain and preserve books of accounts and records of all financial transactions related to the operation of the CENTER, including an accurate and detailed account of all monies received and expended. At any time during the term of this CONTRACT, and/or within three (3) years following the termination of the CONTRACT, the books and records related to the operation and management of the CENTER shall be subject to examination and audit by the CITY.
- b) CONTRACTOR must establish and maintain separate accounts and receipts of the following: 1) Tuition and parent fee revenues; 2) parent donation and fund-raising revenues; and, 3) any other revenue(s) or funds received for, or on behalf of, the CENTER.
- c) CONTRACTOR shall not commingle CENTER funds and/or financial accounts or expenditures, with that of any other CONTRACTOR business operations or that of any other entity.

#### 6.19 Notices from / by Contractor

CONTRACTOR must provide timely and advanced notice to the City Liaison of all important matters related to the operation of the CENTER, including but not limited to:

- a) Special CENTER activities and events for the upcoming month that are not already included in the calendar of activities;
- b) Parent meetings and parent-related activities for the upcoming month that are not already on the calendar of activities;
- c) Notice of parent issues or concerns, and plans to address such issues or concerns;

- d) Licensing and regulatory activity, including notification of site visits and other regulatory activities;
- e) Pending issues that may require CITY intervention or action.

Notices must be sent within ten (10) working days of CONTRACTOR receiving the subject and/or information. For items (d) and (e) of this Section 6.19, CONTRACTOR must notify CITY Liaison immediately within forty-eight (48) hours of becoming aware.

#### 6.20 Contractor Equipment

CONTRACTOR shall provide and maintain standard operating supplies and equipment not provided by CITY. During the term of this CONTRACT, operating supplies and equipment purchased by the CONTRACTOR with its own funds shall remain as property and responsibility of the CONTRACTOR.

### **SECTION 7 - CITY RESPONSIBILITIES**

The following are City of Los Angeles responsibilities to the CENTER:

#### 7.1 The Department of General Services (GSD)

- a) During the TERM of this CONTRACT, GSD will provide the facility space within City Hall South allocated for the operation of the CENTER pursuant to the terms and conditions of this CONTRACT, including parking, as described in Section 4, at no cost to the CONTRACTOR.
- b) GSD will provide some equipment, as described herein, for initial use at CENTER, consisting of a washer, dryer, refrigerator, and stove.

CONTRACTOR shall be responsible for any required equipment replacement upon expiration of the useful life of such equipment, as determined in the sole opinion of the GSD General Manager. CONTRACTOR shall make arrangements with the City Liaison for the removal and disposal of said equipment prior to discarding upon the expiration of the useful life.

- c) GSD will provide basic upkeep and ongoing building maintenance of the CENTER, including plumbing, ceiling and floors, pest extermination, door and access, air conditioning and heating systems, electrical, carpet, roof, and window repair.
- d) GSD will provide scheduled custodial service for the interior of the CENTER. GSD may assist in major spills and accidents on a case-by-case basis. CONTRACTOR will be responsible for spills and clean-ups throughout the day.

- e) GSD will maintain restrooms, including dispensers (toilet paper, paper towels, and soap).
- f) GSD will assume the cost of water, gas, and electricity.
- g) GSD will maintain, repair, and if necessary, replace the 24-Hour key card security alarm system.

#### 7.2 The Department of Information Technology Agency (ITA)

- a) ITA will assume the cost of local telephone calls for the CENTER. CONTRACTOR must pay for and make arrangements with the City Liaison for authorized access to make non-local telephone calls.
- b) ITA will maintain, repair, and if necessary, replace the existing telephone lines and related equipment. Additional telephones and/or telephone lines will require funding by the CONTRACTOR.
- c) CITY will not provide, maintain, support, or assume any costs for Internet connection or data storage.

#### 7.3 The Department of Recreation and Parks (RAP)

- a) RAP will provide scheduled maintenance of CENTER exterior grounds, including the children's play area(s).
- b) RAP is the contract administrator for this CONTRACT, with any needed and/or required activity coordination, communication(s), verification(s), reporting, and/or approval(s) administered through the City Liaison.

#### 7.4 CITY Liaison

CITY will designate a representative to act as the CITY's Liaison for the CENTER (See Section 2.2). The City Liaison shall:

- a) Monitor and address CONTRACTOR compliance with the requirements and obligations of this CONTRACT;
- b) Receive and review bi-annual and annual reports, as stipulated herein;
- c) Conduct performance and compliance reviews, including announced and unannounced site visits to the CENTER to observe operations and compliance matters, and will address any identified issues;
- d) Receive and direct maintenance and repairs requests from the CONTRACTOR for communication to and coordination with the applicable City agency (RAP, GSD, or ITA);

- e) Coordinate activities with other CITY departments as needed;

#### 7.5 Los Angeles Police Department (LAPD)

LAPD will maintain, repair, and if necessary replace the entrance monitoring cameras at the front door, back door, and play area.

### SECTION 8 – PROGRAM AND COMPLIANCE EVALUATION

CITY will conduct a program evaluation to determine ongoing compliance with the terms and conditions of this CONTRACT. This evaluation will address program operations, allowing for review and action on any proposed program modification, such as but not limited to, proposed and/or approved changes in tuition rates and schedule of fees, and/or program and services.

Should deficiencies or areas of non-compliance be identified by CITY, CONTRACTOR shall be allowed sufficient time to take corrective action, as determined by the applicable City agency or BOARD. Failure to correct deficiencies or non-compliance matters within an established time-frame can result in the termination of this CONTRACT, consistent with the default and termination provisions in Section 8 herein.

### SECTION 9 – DEFAULT AND TERMINATION

#### 9.1 City's Right to Terminate

##### a) Termination for Cause

The City Liaison will conduct a regular review of CONTRACTOR operations at CENTER and performance of CONTRACT, including programs, operations, and regular evaluations to monitor compliance with CONTRACT. Should deficiencies or non-compliance items be identified by CITY, CITY shall provide written notification of such deficiencies to the CONTRACTOR and allow CONTRACTOR fifteen (15) calendar days from the date of notice of such deficiencies, to cure such default. CONTRACTOR may request additional time if necessary, subject to approval by the GM, and/or BOARD if required. CITY shall reserve the right to require a sooner correction of deficiencies if such deficiency is related to matters of health, safety, or licensing.

If the CONTRACTOR fails to cure the default within the prescribed time frame provided by the CITY, CITY may terminate this CONTRACT for cause by providing CONTRACTOR with a written notice of termination. In the event that the CONTRACTOR commences to cure the default after the prescribed time-frame provided by the CITY, CITY shall have the sole authority to determine if CONTRACTOR is acting diligently to pursue the

cure of the deficiencies and/or non-compliance items, and hold the CONTRACTOR in default.

In the event there is cause for termination of this CONTRACT, CONTRACTOR agrees to peacefully vacate the CENTER on or before the effective date of termination, and must leave CENTER in the same, or better condition, in which it was found at the beginning of the CONTRACT TERM, with the exception of normal wear and tear.

b) Termination for Serious Threat to Health or Safety

Notwithstanding Section 9 of this CONTRACT (Default and Termination), particularly Section 9.1.a, should CITY reasonably identify a deficiency or area of non-compliance, and determines that such item poses a serious threat to the health and/or safety of the activities or persons within the CENTER (children, parents, and/or employees), the CITY shall immediately notify the CONTRACTOR in writing, and CITY, at the sole discretion and opinion of the RAP General Manager, may terminate this CONTRACT with two (2) calendar days advanced written notice to the CONTRACTOR, without any risk of liability to CITY.

In the event of termination for serious threat to health and/or safety, the CONTRACTOR must vacate the CENTER on or before the effective date of termination and must leave CENTER in the same or better condition in which it was found at the beginning of CONTRACT TERM, with the exception of normal wear and tear.

c) Termination for Convenience

The BOARD may terminate this CONTRACT for CITY's convenience, due to the CITY's inability to financially supplement CENTER operations through RAP, GSD, and/or ITA, as provided in Section 7 of this CONTRACT.

BOARD shall notify the CONTRACTOR in writing of such inability to continue the financial support of CENTER operations. If CONTRACTOR elects to fund such services provided by RAP, GSD and/or ITA, CONTRACTOR shall propose such action to the City Liaison for consideration by the BOARD. Any BOARD acceptance and/or approval of such a proposal shall be communicated by RAP to the CONTRACTOR in writing.

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## 9.2 Contractor's Right to Terminate

CONTRACTOR may terminate this CONTRACT for cause with sixty (60) calendar days advanced written notice to RAP. Such written notice must include an explicit explanation of the cause for termination.

In the event of the CONTRACTOR's termination for cause, CONTRACTOR must vacate the CENTER on or before the effective date of such termination and must leave CENTER in the same or better condition in which it was found at the beginning of CONTRACT TERM, with the exception of normal wear and tear.

## 9.3 Bankruptcy, Credit Arrangements, Attachments, Tax Liens

The occurrence of any one or more of the following events shall constitute a material default and breach of this CONTRACT by CONTRACTOR:

- a) The CONTRACTOR's general assignment or general arrangement, for the benefit of creditors;
- b) The filing by or against the CONTRACTOR of a petition to have the CONTRACTOR adjudged a bankruptcy or a petition for reorganization, or arrangement under any law relating to bankruptcy;
- c) The appointment of a trustee or receiver to take possession of substantially all of CONTRACTOR's assets, including the CENTER, or of the CONTRACTOR's interest in this CONTRACT;
- d) Any attachment where such seizure is not discharged within thirty (30) days; and/or,
- e) The filing of any tax lien against the CONTRACTOR.

## SECTION 10 - LIABILITY

### 10.1 Indemnification:

Except for the active negligence or willful misconduct of CITY or any of its boards, officers, agents, employees, assigns, or successors in interest, CONTRACTOR undertakes and agrees to defend, indemnify and hold harmless CITY and any and all of CITY's Officers, Agents, and Employees from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees and cost of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including CONTRACTOR's employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of, or incident to, the performance of this CONTRACT on the part of the CONTRACTOR, its officers, agents, employees, or sub-contractor of any tier.

10.2 Insurance:

## A. General Conditions:

CONTRACTOR shall obtain and keep in force an insurance policy which covers all operations conducted at the CENTER pursuant to the terms and conditions of this CONTRACT. Such insurance policy must also insure the City of Los Angeles, as an additional insured, and comply with the Office of the Administrative Officer's insurance requirements, as described in the Insurance Requirements sheet (Form Gen. 146 – Rev. 09/06), attached hereto and incorporated herein by reference as Exhibit-C. Pursuant to the Instructions for Submitting Proof of Insurance to the City, attached hereto and incorporated herein as Exhibit-D, such proof of insurance shall be submitted to CITY via the Office of the City Administrative Officer, Risk Management website; [www.track4la.lacity.org](http://www.track4la.lacity.org).

The RAP GENERAL MANAGER, based upon advice of the City Risk Management, may increase or decrease the amounts of insurance coverage required herein, by providing ninety (90) calendar days advanced written notice to the CONTRACTOR.

Without limiting CONTRACTOR'S indemnification of CITY, CONTRACTOR shall provide and maintain at its own expense during the entire term of this CONTRACT, insurance containing the coverage limits no less than the amounts and types listed on Exhibit-C, covering its operations hereunder in accordance with the following conditions:

## 1. Additional Insured:

CITY, its Officers, Agents and Employees shall be included as additional insureds in all liability insurance policies except: Workers' Compensation, Employer's Liability, Professional Errors and Omissions and second-party Legal Liability coverages (such as Fire Legal). CITY shall be named "Loss Payee as Its Interest May Appear" in all required property, fidelity and/or surety coverage(s).

## 2. Insurance Requirements:

All insurance required hereunder shall conform to CITY requirements established by Charter, ordinance or policy, and shall be filed with the Office of the City Attorney and/or Office of the City Administrative Officer (CAO) Risk Management Office, for its review in accordance with Los Angeles City Administrative Code Sections 11.47 through 11.56.

3. Primary Insurance:  
Such insurance shall be primary with respect to any insurance maintained by the CITY and shall not call on CITY'S insurance program for contributions.
4. Admitted Carrier / Licensed California Broker:  
Such insurance shall be obtained from brokers or carriers authorized to transact insurance business in California.
5. 30-Day Notice:  
With respect to the interest(s) of the CITY, such insurance shall not be canceled, materially reduced in coverage or limits or non-renewed except after thirty (30) days written notice by receipted delivery (e.g. certified mail-return receipt, courier et.) has been given to the Office of the CAO Risk Management Office.
6. Prior Approval:  
Evidence of insurance shall be submitted to and approved by the Office of the CAO Risk Management Office prior to commencement of any work or tenancy under this CONTRACT.
7. Severability of Interest:  
Except with respect to the insurance company's limits of liability, each liability insurance policy shall apply separately to each insured against whom claim or suit is brought. The inclusion of any person or organization as an insured shall not affect any right which such person or organization would have as a claimant if not so included.
8. Acceptable Evidence:  
CONTRACTOR shall submit acceptable evidence of insurance for approval in accordance with Exhibit-D of this CONTRACT.
9. Renewal:  
Once the insurance has been approved by the City Attorney and/or CAO Risk Management Office, evidence of renewal of an expiring policy may be submitted pursuant to the instructions on Exhibit-D. If the policy or the carrier has changed, new evidence of insurance must be submitted in accordance with Exhibits C and D.
10. Aggregate Limits/Blanket Coverage:  
If any of the required insurance coverages contain aggregate limits, or apply to other operations or tenancy of the CONTRACTOR separate of this CONTRACT, CONTRACTOR shall provide the CITY with prompt written notice of any incident, occurrence, claim, settlement or judgment against such insurance, which in CONTRACTOR'S best judgment will diminish the protection such insurance affords the CITY. Further,

CONTRACTOR shall immediately take all reasonable and available steps to restore such aggregate limits or shall provide other insurance protection for such aggregate limits.

B. Self-Insurance and Self-Insured Retentions:

Self-insurance programs and self-insured retentions in insurance policies are subject to separate approval by the CITY, upon review of evidence of CONTRACTOR'S financial capacity to respond. Additionally, such programs or retentions must provide the CITY with at least the same protections from liability and defense of suits as would be afforded by first-dollar insurance.

C. Modification of Coverage:

CITY reserves the right at any time during the term of this CONTRACT to change the amounts and types of insurance required hereunder by giving CONTRACTOR ninety (90) days advance written notice of such change.

D. Availability/Failure to Procure Insurance:

The required coverages and limits are subject to availability on the open market at reasonable cost as determined by the CITY. Non-availability or non-affordability must be documented by a letter from the CONTRACTOR'S insurance broker or agent, indicating good faith insurance quotes were sought out and showing at minimum the names of the insurance carriers and the declinations or quotations received from each.

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

E. Underlying Insurance:

CONTRACTOR shall be responsible for requiring indemnification and insurance as it deems appropriate from its employees receiving mileage allowance, consultants, agents and/or subcontractor(s), if any, to protect CONTRACTOR's and CITY's interest(s), and for ensuring that such persons comply with applicable insurance statutes. CONTRACTOR is encouraged to seek professional advice in this regard.

F. Workers' Compensation:

CONTRACTOR hereby certifies that it is aware of the provisions of Section 3700 et seq., of the California Labor Code, which requires every employer to be insured against liability for Workers' Compensation, or to undertake self-insurance in accordance with the provisions of that Code, and that it will

comply with such provisions at all such times as they may apply during the performance of this CONTRACT.

Any breach of this condition for insurance requirements can be considered a material breach of this CONTRACT.

**SECTION 11 – WAIVER OF CLAIMS**

The PARTIES to this CONTRACT hereby waive any claim against the other PARTY and its officers, agents or employees, for damages or loss caused by any suit or proceedings directly or indirectly challenging the validity of this CONTRACT, or any part thereof, or by any judgment or award in any suit or proceeding declaring this CONTRACT null, void, or voidable, or delaying the same or any part thereof from being carried out.

**SECTION 12 – INCORPORATION OF STANDARD PROVISIONS**

CONTRACTOR shall comply with the Standard Provisions for City Contracts (Rev. 03/09), attached hereto and incorporated herein by reference as EXHIBIT-E and thereby made part of this CONTRACT.

**SECTION 13 – ENTIRE CONTRACT**

This CONTRACT contains the full and complete contract between the PARTIES. No verbal agreement or conversation between CONTRACTOR and any officer or employee of the CITY shall affect or modify any of the terms and/or conditions of this CONTRACT. No modifications of this CONTRACT shall be valid or effective unless evidenced by a written agreement executed by both PARTIES.

**SECTION 14 – EXHIBITS**

This CONTRACT and incorporated documents represent the entire integrated agreement of the PARTIES and supersedes all prior written or oral representations, discussions, and agreements. The following Exhibits are to be attached to and made part of this CONTRACT by reference:

- A. Initial Tuition Rate and Schedule of Fees
- B. Initial Operating Budget
- C. Insurance Requirements
- D. Instructions for Submitting Proof of Insurance
- E. Standard Provisions for City Contracts (Rev. 03/09)

In the event of any inconsistency between any of the provisions of this CONTRACT and/or Exhibits attached hereto, the inconsistency shall be resolved by giving

precedence in the following order: 1) This CONTRACT exclusive of attachments; 2) Exhibit E; 3) Exhibit D; 4) Exhibit C; 5) Exhibit A; and, then 5) Exhibit B.

**SECTION 15 – RATIFICATION**

At the request of RAP, and because of the need therefor, CONTRACTOR began performance of the responsibilities contained herein prior to execution of this CONTRACT, which were required prior to the execution hereof. By execution of this CONTRACT, RAP hereby accepts such service(s) subject to all the terms, covenants, and conditions of this CONTRACT, and ratifies its agreement with CONTRACTOR for such services(s).

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, the PARTIES have executed this Operating Agreement as of the day and year first above written.

CITY OF LOS ANGELES, a municipal corporation, acting by and through its BOARD OF RECREATION AND PARK COMMISSIONERS

MOUNT WASHINGTON PRESCHOOL AND CHILDCARE CENTER, INC., a California nonprofit corporation

By: *Agnes Paterson*  
President

By: *Patricia Griffith*  
Patricia Griffith

Date: JANUARY 6, 2016

Title: Board President, MWPCCC

By: *Amad B...*  
Secretary

Date: Dec. 14 | 2015

Date: JANUARY 6, 2016

By: *Susan Phifer*  
Susan Phifer

APPROVED AS TO FORM:

Title: Secretary

MICHAEL N. FEUER, City Attorney

By: *Deij*  
Deputy City Attorney

Date: 12-14-15

Date: Jan 6, 2016

EXHIBIT-A

Initial Tuition Rates and Schedule of Fees

**JOY PICUS CHILD DEVELOPMENT CENTER**

2015 - 2016 Monthly Tuition Rates

Effective: July 1, 2015

Waiting List Fee: To be paid at the time application is turned in (non-refundable) \$ 73.00  
 Enrollment Fee: To be paid at the time of enrollment: \$ 125.00

Infants - Ratio 3:1	City Rate	Community Rate	DWP Rate
5 days per week	\$ 1,200.00	\$ 1,242.00	\$ 1,048.33
4 days per week	\$ 1,069.00	\$ 1,109.00	\$ 947.66
3 days per week	\$ 807.00	\$ 836.00	\$ 716.00
2 days per week	\$ 541.00	\$ 560.00	\$ 480.33
Extra day of care (when available)	\$ 73.00	\$ 73.00	\$ 73.00

Toddlers - Ratio 4:1	City Rate	Community Rate	DWP Rate
5 days per week	\$ 1,177.00	\$ 1,218.00	\$ 1,038.33
4 days per week	\$ 1,049.00	\$ 1,087.00	\$ 938.06
3 days per week	\$ 790.00	\$ 819.00	\$ 706.80
2 days per week	\$ 529.00	\$ 549.00	\$ 473.53
Extra day of care (when available)	\$ 73.00	\$ 73.00	\$ 73.00

Preschool I - Ratio 6:1	City Rate	Community Rate	DWP Rate
5 days per week	\$ 1,039.00	\$ 1,099.00	\$ 926.33
4 days per week	\$ 910.00	\$ 955.00	\$ 819.86
3 days per week	\$ 704.00	\$ 737.00	\$ 636.40
2 days per week	\$ 496.00	\$ 529.00	\$ 450.93
Extra day of care (when available)	\$ 73.00	\$ 73.00	\$ 73.00

Preschool II - Ratio 8:1	City Rate	Community Rate	DWP Rate
5 days per week	\$ 884.00	\$ 975.00	\$ 771.33
4 days per week	\$ 806.00	\$ 857.00	\$ 715.86
3 days per week	\$ 626.00	\$ 672.00	\$ 558.40
2 days per week	\$ 441.00	\$ 476.00	\$ 395.93
Extra day of care (when available)	\$ 73.00	\$ 73.00	\$ 73.00

Hours of Operation: 6:30AM - 6:00PM Monday through Friday

Holidays/Closure Days: Closed all City Holidays & other days per schedule provided annually

- Tuition is due by the first (1st) of every month.
- If the 1st is on a holiday or weekend, then tuition is due on the NEXT business day.
- A \$10.00 per day late fee will be applied to tuition received after the 1st of the month.
- A \$1.00 per minute late pick-up fee will be applied for late pick-up after 6:00PM.
- There are no tuition credits or adjustments for illness, holidays, vacations or circumstances beyond our control.

PLEASE MAKE CHECKS PAYABLE TO: MWPCCC

## EXHIBIT-B

Fiscal Year 2015-16 Operating Budget

**MOUNT WASHINGTON PRESCHOOL AND CHILD CARE CENTER, INC.  
 JOY PICUS CHILD DEVELOPMENT CENTER  
 BUDGET 2015 - 2016**

	<u>JOY PICUS</u> <u>7/1/2015 - 6/30/2016</u>
<b>Income</b>	
IN KIND CONTRIBUTIONS	119,736.00
FUNDRAISING	3,000.00
TUITION REVENUE	883,240.52
FAMILY DISCOUNTS	-10,982.94
STAFF DISCOUNTS	0.00
WAIT LIST FEE	5,475.00
REGISTRATION/APPLICATION FEE	3,750.00
NSF FEE REVENUE	125.00
<b>TOTAL INCOME</b>	<u>1,004,343.58</u>
<b>Expense</b>	
PROGRAM EXPENSES	37,166.45
WAGES AND TAXES	698,005.55
EMPLOYEE BENEFITS	22,858.12
EMPLOYEE TRAVEL & TRAINING EXP	1,500.00
BUSINESS EXPENSES	19,938.22
OCCUPANCY EXPENSES	13,380.00
DEPRECIATION & AMORTIZATION EXP	636.25
IN KIND EXPENSE	119,736.00
SHARED COMMON COSTS	34,436.60
SHARED MANAGEMENT AND ADMINISTRATIVE COSTS	54,549.47
<b>TOTAL EXPENSE</b>	<u>1,002,206.66</u>
<b>NET INCOME</b>	<u>2,136.92</u>

EXHIBIT-C

Form Geo 146 (Rev. 3/09)

Required Insurance and Minimum Limits

Name: Mount Washington Preschool and Child Care Center, Inc.

Date: 02/26/2015

Agreement/Reference: Joy Picus Child Care Center Operations Contract

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 \$1,000,000

Waiver of Subrogation in favor of City

Longshore & Harbor Workers
Jones Act

General Liability - General Liability, including Sexual Misconduct

\$1,000,000

Products/Completed Operations

Sexual Misconduct

Fite Legal Liability

Automobile Liability (for any and all vehicles used for this contract, other than commuting to/from work)

Professional Liability (Errors and Omissions)

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: 1) If a contractor has no employees and decides to not cover herself/himself for workers' compensation, please complete the form entitled "Request for Waiver of Workers' Compensation Insurance Requirements" located at http://caofy.org/caof/ris/InsuranceForms.htm
2) In the absence of imposed auto liability requirements, all contractors using vehicles during the course of their contract must adhere to the financial responsibility laws of the State of California.

## EXHIBIT-D

Instructions for Providing Proof of Insurance

Form Gen. 133 (Rev. 05/12)

**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.

EXHIBIT-E

Standard Provisions for City Contracts (Rev. 03/09)

[Document Follows This Page]

## STANDARD PROVISIONS FOR CITY CONTRACTS

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## STANDARD PROVISIONS FOR CITY CONTRACTS

### **PSC-1. CONSTRUCTION OF PROVISIONS AND TITLES HEREIN**

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

### **PSC-2. NUMBER OF ORIGINALS**

The number of original texts of this Contract shall be equal to the number of the parties hereto, one text being retained by each party. At the **CITY'S** option, one or more additional original texts of this Contract may also be retained by the City.

### **PSC-3. APPLICABLE LAW, INTERPRETATION AND ENFORCEMENT**

Each party's performance hereunder shall comply with all applicable laws of the United States of America, the State of California, and the **CITY**, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing laws which affect employees. This Contract shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. **CONTRACTOR** shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Contract.

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

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

**PSC-4. TIME OF EFFECTIVENESS**

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

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

**PSC-5. INTEGRATED CONTRACT**

This Contract sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous Contracts or understandings, whether written or oral, relating thereto. This Contract may be amended only as provided for in paragraph PSC-6 hereof.

**PSC-6. AMENDMENT**

All amendments to this Contract shall be in writing and signed and approved pursuant to the provisions of PSC-4.

**PSC-7. EXCUSABLE DELAYS**

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.

**PSC-8. BREACH**

Except for excusable delays as described in PSC-7, 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.

#### **PSC-9. WAIVER**

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

#### **PSC-10. TERMINATION**

##### **A. TERMINATION FOR CONVENIENCE**

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

##### **B. TERMINATION FOR BREACH OF CONTRACT**

1. Except for excusable delays as provided in PSC-7, if **CONTRACTOR** fails to perform any of the provisions of this Contract or so fails to make progress as to endanger timely performance of this Contract, the **CITY** may give **CONTRACTOR** written notice of such default. If **CONTRACTOR** does not cure such default or provide a plan to cure such default which is acceptable to the **CITY** within the time permitted by the **CITY**, then the **CITY** may terminate this Contract due to **CONTRACTOR'S** breach of this Contract.
2. If a federal or state proceeding for relief of debtors is undertaken by or against **CONTRACTOR**, or if **CONTRACTOR** makes an assignment for the benefit of creditors, then the **CITY** may immediately terminate this Contract.
3. If **CONTRACTOR** engages in any dishonest conduct related to the performance or administration of this Contract or violates the

**CITY'S** lobbying policies, then the **CITY** may immediately terminate this Contract.

4. In the event the **CITY** terminates this Contract as provided in this section, the **CITY** may procure, upon such terms and in such manner as the **CITY** may deem appropriate, services similar in scope and level of effort to those so terminated, and **CONTRACTOR** shall be liable to the **CITY** for all of its costs and damages, including, but not limited, any excess costs for such services.
5. All finished or unfinished documents and materials produced or procured under this Contract, including all intellectual property rights thereto, shall become **CITY** property upon date of such termination. **CONTRACTOR** agrees to execute any documents necessary for the **CITY** to perfect, memorialize, or record the **CITY'S** ownership of rights provided herein.
6. If, after notice of termination of this Contract under the provisions of this section, it is determined for any reason that **CONTRACTOR** was not in default under the provisions of this section, or that the default was excusable under the terms of this Contract, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to PSC-10(A) Termination for Convenience.
7. 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.

#### **PSC-11. INDEPENDENT CONTRACTOR**

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

#### **PSC-12. CONTRACTOR'S PERSONNEL**

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

**CONTRACTOR** shall not use subcontractors to assist in performance of this Contract without the prior written approval of the **CITY**. If the **CITY** permits the use of subcontractors, **CONTRACTOR** shall remain responsible for performing all aspects of

this Contract. The **CITY** has the right to approve **CONTRACTOR'S** subcontractors, and the **CITY** reserves the right to request replacement of subcontractors. The **CITY** does not have any obligation to pay **CONTRACTOR'S** subcontractors, and nothing herein creates any privity between the **CITY** and the subcontractors.

**PSC-13. PROHIBITION AGAINST ASSIGNMENT OR DELEGATION**

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

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

**PSC-14. PERMITS**

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

**PSC-15. CLAIMS FOR LABOR AND MATERIALS**

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

**PSC-16. CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED**

If applicable, **CONTRACTOR** represents that it has obtained and presently holds the Business Tax Registration Certificate(s) required by the **CITY'S** Business Tax Ordinance, Section 21.00 *et seq.* of the Los Angeles Municipal Code. For the term covered by this Contract, **CONTRACTOR** shall maintain, or obtain as necessary, all such Certificates required of it under the Business Tax Ordinance, and shall not allow any such Certificate to be revoked or suspended.

**PSC-17. RETENTION OF RECORDS, AUDIT AND REPORTS**

**CONTRACTOR** shall maintain all records, including records of financial transactions, pertaining to the performance of this Contract, in their original form, in accordance with

requirements prescribed by the **CITY**. These records shall be retained for a period of no less than three 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 or within the three years following final payment made by the **CITY** hereunder or the expiration date of this Contract, whichever occurs last. **CONTRACTOR** shall provide any reports requested by the **CITY** regarding performance of this Contract. Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract.

#### **PSC-18. FALSE CLAIMS ACT**

**CONTRACTOR** acknowledges that it is aware of liabilities resulting from submitting a false claim for payment by the **CITY** under the 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.

#### **PSC-19. 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.

#### **PSC-20. INDEMNIFICATION**

Except for the active negligence or willful misconduct of the **CITY**, or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, **CONTRACTOR** undertakes and agrees to defend, indemnify and hold harmless the **CITY** and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the **CITY**, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including **CONTRACTOR'S** employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Contract by **CONTRACTOR** or its subcontractors of any tier. Rights and remedies available to the **CITY** under this provision are cumulative of those provided for elsewhere in this Contract and those allowed under the laws of the United States, the State of California, and the **CITY**. The provisions of PSC-20 shall survive expiration or termination of this Contract.

#### **PSC-21. INTELLECTUAL PROPERTY INDEMNIFICATION**

**CONTRACTOR**, at its own expense, undertakes and agrees to defend, indemnify, and hold harmless the **CITY**, and any of its Boards, Officers, Agents, Employees, Assigns,

and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the **CITY**, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity and proprietary information right (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by **CONTRACTOR**, or its subcontractors of any tier, in performing the work under this Contract; or (2) as a result of the **CITY'S** actual or intended use of any Work Product furnished by **CONTRACTOR**, or its subcontractors of any tier, under the 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 PSC-21 shall survive expiration or termination of this Contract.

#### **PSC-22. INTELLECTUAL PROPERTY WARRANTY**

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

#### **PSC-23. OWNERSHIP AND LICENSE**

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

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

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

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

#### **PSC-24. INSURANCE**

During the term of this Contract and without limiting **CONTRACTOR'S** indemnification of the **CITY**, **CONTRACTOR** shall provide and maintain at its own expense a program of insurance having the coverages and limits customarily carried and actually arranged by **CONTRACTOR**, but not less than the amounts and types listed on the Required Insurance and Minimum Limits sheet (Form General 146 in Exhibit 1 hereto), covering its operations hereunder. Such insurance shall conform to **CITY** requirements established by Charter, ordinance or policy, shall comply with the Insurance Contractual Requirements (Form General 133 in Exhibit 1 hereto) and shall otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. **CONTRACTOR** shall comply with all Insurance Contractual Requirements shown on Exhibit 1 hereto. Exhibit 1 is hereby incorporated by reference and made a part of this Contract.

#### **PSC-25. DISCOUNT TERMS**

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

#### **PSC-26. WARRANTY AND RESPONSIBILITY OF CONTRACTOR**

**CONTRACTOR** warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within **CONTRACTOR'S** profession, doing the same or similar work under the same or similar circumstances.

#### **PSC-27. NON-DISCRIMINATION**

Unless otherwise exempt, this Contract is subject to the non-discrimination provisions in Sections 10.8 through 10.8.2 of the Los Angeles Administrative Code, as amended from time to time. The **CONTRACTOR** shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the **CITY**. In performing this Contract, **CONTRACTOR** shall not

discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, disability, domestic partner status, marital status or medical condition. Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract.

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

#### **PSC-28. EQUAL EMPLOYMENT PRACTICES**

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

- A. During the performance of this Contract, **CONTRACTOR** agrees and represents that it will provide equal employment practices and **CONTRACTOR** and each subcontractor hereunder will ensure that in his or her employment practices persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
  - 1. This provision applies to work or service performed or materials manufactured or assembled in the United States.
  - 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
  - 3. **CONTRACTOR** agrees to post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. **CONTRACTOR** will, in all solicitations or advertisements for employees placed by or on behalf of **CONTRACTOR**, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
- C. As part of the **CITY'S** supplier registration process, and/or at the request of the awarding authority, or the Board of Public Works, Office of Contract Compliance, **CONTRACTOR** shall certify in the specified format that he or she has not discriminated in the performance of **CITY** contracts against any employee or applicant for employment on the basis or because of

race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

- D. **CONTRACTOR** shall permit access to and may be required to provide certified copies of all of his or her records pertaining to employment and to employment practices by the awarding authority or the Office of Contract Compliance for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of **CITY** contracts. On their or either of their request **CONTRACTOR** shall provide evidence that he or she has or will comply therewith.
- E. The failure of any **CONTRACTOR** to comply with the Equal Employment Practices provisions of this Contract may be deemed to be a material breach of **CITY** contracts. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to **CONTRACTOR**.
- F. Upon a finding duly made that **CONTRACTOR** has failed to comply with the Equal Employment Practices provisions of a **CITY** contract, the contract may be forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the **CITY**. In addition thereto, such failure to comply may be the basis for a determination by the awarding authority or the Board of Public Works that the **CONTRACTOR** is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Charter of the City of Los Angeles. In the event of such a determination, **CONTRACTOR** shall be disqualified from being awarded a contract with the **CITY** for a period of two years, or until **CONTRACTOR** shall establish and carry out a program in conformance with the provisions hereof.
- G. Notwithstanding any other provision of this Contract, the **CITY** shall have any and all other remedies at law or in equity for any breach hereof.
- H. Intentionally blank.
- I. Nothing contained in this Contract shall be construed in any manner so as to require or permit any act which is prohibited by law.
- J. At the time a supplier registers to do business with the **CITY**, or when an individual bid or proposal is submitted, **CONTRACTOR** shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of **CITY** Contracts.

- K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
1. Hiring practices;
  2. Apprenticeships where such approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
  3. Training and promotional opportunities; and
  4. Reasonable accommodations for persons with disabilities.
- L. Any subcontract entered into by **CONTRACTOR**, to the extent allowed hereunder, shall include a like provision for work to be performed under this Contract. Failure of **CONTRACTOR** to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject **CONTRACTOR** to the imposition of any and all sanctions allowed by law, including but not limited to termination of the **CONTRACTOR'S** Contract with the **CITY**.

#### **PSC-29. AFFIRMATIVE ACTION PROGRAM**

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

- A. During the performance of a **CITY** contract, **CONTRACTOR** certifies and represents that **CONTRACTOR** and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
1. This provision applies to work or services performed or materials manufactured or assembled in the United States.
  2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
  3. **CONTRACTOR** shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. **CONTRACTOR** will, in all solicitations or advertisements for employees placed by or on behalf of **CONTRACTOR**, state that all qualified applicants will receive consideration for employment without regard to

their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

- C. As part of the **CITY'S** supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, **CONTRACTOR** shall certify on an electronic or hard copy form to be supplied, that **CONTRACTOR** has not discriminated in the performance of **CITY** contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.
- D. **CONTRACTOR** shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of **CITY** contracts, and on their or either of their request to provide evidence that it has or will comply therewith.
- E. The failure of any **CONTRACTOR** to comply with the Affirmative Action Program provisions of **CITY** contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to **CONTRACTOR**.
- F. Upon a finding duly made that **CONTRACTOR** has breached the Affirmative Action Program provisions of a **CITY** contract, the contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the **CITY**. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said **CONTRACTOR** is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such **CONTRACTOR** shall be disqualified from being awarded a contract with the **CITY** for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.
- G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that **CONTRACTOR** has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a **CITY** contract, there may be deducted from the amount payable to **CONTRACTOR** by the **CITY** under the contract, a penalty of ten dollars

- (\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a **CITY** contract.
- H. Notwithstanding any other provisions of a **CITY** contract, the **CITY** shall have any and all other remedies at law or in equity for any breach hereof.
  - I. Intentionally blank.
  - J. Nothing contained in **CITY** contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.
  - K. **CONTRACTOR** shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it registers to do business with the **CITY**. The plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract. The awarding authority may also require contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, **CONTRACTOR** may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, **CONTRACTOR** must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.
    - 1. Every contract of \$5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.
    - 2. **CONTRACTOR** may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.
  - L. The Office of Contract Compliance shall annually supply the awarding authorities of the **CITY** with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and **CONTRACTOR**.

- M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:
1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
  2. Classroom preparation for the job when not apprenticeable;
  3. Pre-apprenticeship education and preparation;
  4. Upgrading training and opportunities;
  5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;
  6. The entry of qualified women, minority and all other journeymen into the industry; and
  7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.
- N. Any adjustments which may be made in the contractor's or supplier's workforce to achieve the requirements of the **CITY'S** Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the workforce or replacement of those employees who leave the workforce by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.
- O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the **CITY** and may be used at the discretion of the **CITY** in its Contract Compliance Affirmative Action Program.
- P. Intentionally blank.

- Q. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the **CITY** and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the **CITY**.

### **PSC-30. CHILD SUPPORT ASSIGNMENT ORDERS**

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

Pursuant to Section 10.10(b) of the Los Angeles Administrative Code, the failure of **CONTRACTOR** to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders or Notices of Assignment, or the failure of any Principal Owner(s) of **CONTRACTOR** to comply with any Wage and Earnings Assignment Orders or Notices of Assignment applicable to them personally, shall constitute a default by the **CONTRACTOR** under this Contract, subjecting this Contract to termination if such default shall continue for more than ninety (90) days after notice of such default to **CONTRACTOR** by the **CITY**.

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

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

**PSC-31. LIVING WAGE ORDINANCE AND SERVICE CONTRACTOR WORKER  
RETENTION ORDINANCE**

- A. Unless otherwise exempt, this Contract is subject to the applicable provisions of the Living Wage Ordinance (LWO), Section 10.37 *et seq.* of the Los Angeles Administrative Code, as amended from time to time, 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. **CONTRACTOR** assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of compensated and uncompensated days off and health benefits, as defined in the LWO.
  2. **CONTRACTOR** further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. **CONTRACTOR** shall require each of its subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. **CONTRACTOR** shall deliver the executed pledges from each such subcontractor to the **CITY** within ninety (90) days of the execution of the subcontract. **CONTRACTOR'S** delivery of executed pledges from each such subcontractor shall fully discharge the obligation of **CONTRACTOR** with respect to such pledges and fully discharge the obligation of **CONTRACTOR** to comply with the provision in the LWO contained in Section 10.37.6(c) concerning compliance with such federal law.
  3. **CONTRACTOR**, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the **CITY** with regard to the employer's compliance or anticipated compliance with the LWO, for opposing any practice proscribed by the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. **CONTRACTOR** shall post the Notice of Prohibition Against Retaliation provided by the **CITY**.
  4. Any subcontract entered into by **CONTRACTOR** relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of PSC-31 and shall incorporate the provisions of the LWO and the SCWRO.

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

**PSC-32. AMERICANS WITH DISABILITIES ACT**

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

**PSC-33. CONTRACTOR RESPONSIBILITY ORDINANCE**

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

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

**PSC-34. MINORITY, WOMEN, AND OTHER BUSINESS ENTERPRISE OUTREACH PROGRAM**

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

**PSC-35. 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, **CONTRACTOR** certifies and represents that **CONTRACTOR** will comply with the EBO.
- B. The failure of **CONTRACTOR** to comply with the EBO will be deemed to be a material breach of this Contract by the **CITY**.
- C. If **CONTRACTOR** fails to comply with the EBO the **CITY** may cancel, terminate or suspend this Contract, in whole or in part, and all monies due or to become due under this Contract may be retained by the **CITY**. The **CITY** may also pursue any and all other remedies at law or in equity for any breach.
- D. Failure to comply with the EBO may be used as evidence against **CONTRACTOR** in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 *et seq.*, Contractor Responsibility Ordinance.
- E. If the **CITY'S** Designated Administrative Agency determines that a **CONTRACTOR** has set up or used its contracting entity for the purpose of evading the intent of the EBO, the **CITY** may terminate the Contract. Violation of this provision may be used as evidence against **CONTRACTOR** in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 *et seq.*, Contractor Responsibility Ordinance.

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

“During the performance of a Contract with the City of Los Angeles, the Contractor will provide equal benefits to its employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles’ Equal Benefits Ordinance may be obtained from the Department of Public Works, Office of Contract Compliance at (213) 847-1922.”

**PSC-36. SLAVERY DISCLOSURE ORDINANCE**

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

**EXHIBIT 1****INSURANCE CONTRACTUAL REQUIREMENTS**

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

**CONTRACTUAL REQUIREMENTS****CONTRACTOR AGREES THAT:**

**1. Additional Insured/Loss Payee.** The CITY must be included as an Additional Insured in applicable liability policies to cover the CITY'S liability arising out of the acts or omissions of the named insured. The CITY is to be named as an Additional Named Insured and a Loss Payee As Its Interests May Appear in property insurance in which the CITY has an interest, e.g., as a lien holder.

**2. Notice of Cancellation.** All required insurance will be maintained in full force for the duration of its business with the CITY. By ordinance, all required insurance must provide at least thirty (30) days' prior written notice (ten (10) days for non-payment of premium) directly to the CITY if your insurance company elects to cancel or materially reduce coverage or limits prior to the policy expiration date, for any reason except impairment of an aggregate limit due to prior claims.

**3. Primary Coverage.** CONTRACTOR will provide coverage that is primary with respect to any insurance or self-insurance of the CITY. The CITY'S program shall be excess of this insurance and non-contributing.

**4. Modification of Coverage.** The CITY reserves the right at any time during the term of this Contract to change the amounts and types of insurance required hereunder by giving CONTRACTOR ninety (90) days' advance written notice of such change. If such change should result in substantial additional cost to CONTRACTOR, the CITY agrees to negotiate additional compensation proportional to the increased benefit to the CITY.

**5. Failure to Procure Insurance.** All required insurance must be submitted and approved by the Office of the City Administrative Officer, Risk Management prior to the inception of any operations by CONTRACTOR.

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

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

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

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

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

**9. Commencement of Work.** For purposes of insurance coverage only, this Contract will be deemed to have been executed immediately upon any party hereto taking any steps that can be considered to be in furtherance of or towards performance of this Contract. The requirements in this Section supersede all other sections and provisions of this Contract, including, but not limited to, PSC-4, to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

**Exhibit 1 (Continued)**  
**Required Insurance and Minimum Limits**

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

Agreement/Reference: \_\_\_\_\_

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** \_\_\_\_\_  
 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) \_\_\_\_\_

\_\_\_\_ **Professional Liability** (Errors and Omissions) \_\_\_\_\_

\_\_\_\_ **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 Contract Price  
\_\_\_\_ **Crime Insurance** \_\_\_\_\_

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

## Exhibit B

### 2016-17 Monthly Tuition and Fee Rates

#### JOY PICUS CHILD DEVELOPMENT CENTER

##### 2016 - 2017 Monthly Tuition Rates

**Effective: August 1, 2016**

Waiting List Fee: To be paid at the time application is turned in (non-refundable): \$ 75.00  
 Enrollment Fee: To be paid at the time of enrollment: \$ 129.00

Infants - Ratio 3:1	City Rate	Community Rate
5 days per week	\$ 1,242.00	\$ 1,285.00
4 days per week	\$ 1,106.00	\$ 1,147.00
3 days per week	\$ 835.00	\$ 865.00
2 days per week	\$ 559.00	\$ 579.00
Extra day of care (when available)	\$ 75.00	\$ 75.00

Toddlers - Ratio 4:1	City Rate	Community Rate
5 days per week	\$ 1,218.00	\$ 1,260.00
4 days per week	\$ 1,085.00	\$ 1,125.00
3 days per week	\$ 817.00	\$ 847.00
2 days per week	\$ 547.00	\$ 568.00
Extra day of care (when available)	\$ 75.00	\$ 75.00

Preschool I - Ratio 6:1	City Rate	Community Rate
5 days per week	\$ 1,075.00	\$ 1,137.00
4 days per week	\$ 941.00	\$ 986.00
3 days per week	\$ 728.00	\$ 762.00
2 days per week	\$ 513.00	\$ 547.00
Extra day of care (when available)	\$ 75.00	\$ 75.00

Preschool II - Ratio 8:1	City Rate	Community Rate
5 days per week	\$ 914.00	\$ 1,009.00
4 days per week	\$ 834.00	\$ 886.00
3 days per week	\$ 647.00	\$ 695.00
2 days per week	\$ 456.00	\$ 492.00
Extra day of care (when available)	\$ 75.00	\$ 75.00

Hours of Operation: 6:30AM - 6:00PM Monday through Friday

Holidays/Closure Days: Closed all City Holidays & other days per schedule provided annually

- Tuition is due by the first (1st) of every month.
- If the 1st is on a holiday or weekend, then tuition is due on the NEXT business day.
- A \$10.00 per day late fee will be applied to tuition received after the 1st of the month.
- A \$1.00 per minute late pick-up fee will be applied for late pick-up after 6:00PM.
- There are no tuition credits or adjustments for illness, holidays, vacations or circumstances beyond our control.

**PLEASE MAKE CHECKS PAYABLE TO: MWPCCC**