



JOSEPH KELLY
TREASURER AND TAX COLLECTOR

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

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LACOUNTYPROPERTYTAX.COM

August 3, 2016

Dear Prospective Proposer:

REQUEST FOR PROPOSALS DEFERRED COMPENSATION AND THRIFT PLAN, SAVINGS PLAN AND PENSION SAVINGS PLAN STABLE FUND CONSULTING SERVICES

The County of Los Angeles ("County") Treasurer and Tax Collector, on behalf of the Plan Administrative Committees ("PACs"), is soliciting proposals from qualified investment consulting firms who can provide general stable value fund advisory services to the County's Deferred Compensation and Thrift Plan ("Horizons Plan"), the Savings Plan ("Savings Plan"), and/or the Pension Savings Plan (collectively referred to as the "Plans"). The Plans are defined contribution plans subject to the Internal Revenue Code Sections 457 and 401(k).

As each Plan is administered by its own PAC, each PAC will make an independent selection. However, cost savings for providing services to all Plans may be taken into consideration during the selection process. The term of the agreements will be for three years, with two additional, optional one-year renewals, up to a maximum agreement term of five years.

The desired proposers should have extensive consulting experience in the stable value industry, preferably with defined contribution plans. Services to be provided include:

1. Annual review and update of the Stable Fund Investment Policy
2. Periodic review of the Stable Fund's performance and structure;
3. Update on stable value industry;
4. Stable Fund advisory services; and
5. Optional services

Qualified firms desiring to respond to this solicitation may submit a separate proposal to provide services to one or more Plans, or a single proposal that covers multiple plans. However, each proposal must clearly indicate the Plan name(s) covered by that proposal. Proposers responding to this RFP must submit seven hard copies (original plus six copies), and an electronic (PDF) copy by email no later than

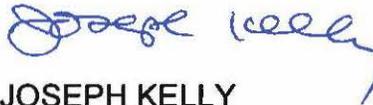
Prospective Proposer
August 3, 2016
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12:00 p.m. Pacific Standard Time (PST) on Thursday, August 25, 2016, to the following address:

County of Los Angeles
Treasurer and Tax Collector
500 West Temple Street, Room 432
Los Angeles, CA 90012
ATTENTION: Teresa Gee
tgee@ttc.lacounty.gov

Should you have any questions, you may contact Teresa Gee, Administrator, Defined Contribution Plans, of my staff at (213) 974-2335 or tgee@ttc.lacounty.gov.

Very truly yours,



JOSEPH KELLY
Treasurer and Tax Collector

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Attachments



**COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR**

REQUEST FOR PROPOSALS

STABLE FUND CONSULTING SERVICES

FOR

DEFERRED COMPENSATION AND THRIFT PLAN,

SAVINGS PLAN

AND

PENSION SAVINGS PLAN

Prepared By
County of Los Angeles
August 2016

These guidelines are intended to provide general information only and are subject to revision. The rights and obligations of any party contracting with the County will be determined in accordance with the terms of the applicable contract and applicable law.

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A Statement of Work

B-1 Stable Income Investment Policy Statement

B-2 Stable Value Investment Policy Statement

B-3 Stable Asset Investment Policy Statement

C Sample Contract: Identifies the terms and conditions in the Contract.

D Required Forms: Forms that must be completed and included in the proposal.

E Transmittal form to Request a Solicitation Requirements Review: Transmittal sent to Department requesting a Solicitation Requirements Review.

F County of Los Angeles Policy on Doing Business with Small Business:
County Policy

G Jury Service Ordinance: County Code

H Listing of Contractors Debarred in Los Angeles County: Contractors who are not allowed to contract with the County for a specific length of time.

I IRS Notice 1015: Provides information on Federal Earned Income Credit.

J Safely Surrendered Baby Law: County Program

K Defaulted Property Tax Reduction Program: County Code

1.0 INTRODUCTION

The County of Los Angeles (“County”) Treasurer and Tax Collector (“TTC”) is issuing this Request for Proposals (“RFP”) to solicit proposals for contracts with a qualified firm(s) that can provide stable value fund consulting services to the County’s defined contribution (“DC”) plans: 457 Deferred Compensation and Thrift Plan (“Horizons Plan”), 401(k) Savings Plan (“Savings Plan”), and Pension Savings Plan (collectively referred to as “Plans”). The stable value funds for the Horizons Plan, Savings Plan, and Pension Savings Plan are known as the Stable Income Fund, Stable Value Fund, and Stable Asset Fund respectively (collectively referred to as “Stable Funds”).

The Horizons Plan was established in 1991. The Horizons Plan is the product of an agreement with the County unions merging the Deferred Compensation Plan (established in 1978) and the Thrift Plan (established in 1984). On a voluntary basis, the Horizons Plan is available to all full-time permanent employees with a dollar-for-dollar match up to 4% of regular earnings with immediate 100% vesting. The Plan is subject to Section 457(b) of the Internal Revenue Code of 1986, as amended, and other applicable laws and regulations. The Horizons Plan Administrative Committee (“PAC”) oversees and administers the Horizons Plan.

The Savings Plan was established in 1984. On a voluntary basis, the Savings Plan is open to full-time permanent County employees who are not represented by a County labor organization and who are not Physicians, Deputy District Attorneys I-IV, or Deputy Public Defenders I-IV, with a dollar-for-dollar match up to 4% of compensation with 20% vesting per year leading to 100% vesting in five (5) years. The Savings Plan is subject to Section 401(k) of the Internal Revenue Code and is intended to comply with the Internal Revenue Code of 1986, as amended, and other applicable laws and regulations. The Savings PAC oversees and administers the 401(k) Plan.

The Pension Savings Plan was established in 1992. The Pension Savings Plan is a condition of employment for part-time, temporary, and seasonable employees who are not eligible to participate in the Los Angeles County Employees Retirement Association, with a minimum 4.5% deducted from paychecks and a dollar-for-dollar match equal to 3% of compensation with immediate 100% vesting. The Pension Savings Plan is subject to Section 457(b) of the Internal Revenue Code of 1986, as amended, and other application laws and regulations. The Pension Savings Plan PAC oversees and administers the Pension Savings Plan.

A third party administrator (“TPA”) performs the recordkeeping for the Plans. Empower Retirement is the current TPA for all three Plans. The TPA is responsible for maintaining the account records for each participant and providing daily valuation for these accounts. Participants receive quarterly statements on their portfolios. The TPA accepts contributions twice a month through automatic payroll deductions and allocates the funds among the various investment options available through the Plans in accordance with participants’ directions. Participants can change their investment allocations daily, while observing the limitations imposed by the Plans’ Trade Restriction Policy: there is a 90-day waiting period for any

transfers from the Stable Funds into the Bank Depository Fund or the self-directed brokerage option.

1.1 Plan Participants

As of June 30, 2016, the Horizons Plan had approximately 98,178 participants, the Savings Plan had approximately 15,096 participants and the Pension Savings Plan had approximately 27,100 participants. The plan year for all Plans is the calendar year.

1.2 Plan Investments

This RFP requires Proposers to submit a proposal to provide stable fund consulting services for the Horizons Plan, the Savings Plan and/or the Pension Savings Plan. The investments currently in the Horizons Plan and Savings Plan are target dated pre-assembled funds, FDIC insured bank fund, Stable Fund, balanced fund, and asset class pre-assembled funds (large-cap fund, non-US equity fund, mid-cap fund, bond fund, inflation protection fund, and small-cap fund). Additionally a self-directed brokerage (“SDB”) option is available for participants. The investment currently in the Pension Savings Plan is the Stable Fund. Invesco Advisers, Inc. (“Invesco”) is the current Discretionary Manager as well as the Cash Manager for the Plans’ Stable Funds. Fund balances and investment asset categories for the Plans as of June 30, 2016 were:

Investment Assets (as of 06/30/2016)	Market Value
<u>Horizons Plan:</u>	
Cash and equivalent	\$213,323,559
Actively Managed (wrapped by insurance):	
Low Duration Fixed Income	1,259,312,223
Intermediate Duration Fixed Income	1,117,447,504
Core Fixed Income	<u>633,333,668</u>
Total Stable Income Fund	3,223,416,954
Total Horizons Plan Funds	8,643,420,330
 <u>Savings Plan:</u>	
Cash and equivalent	\$40,933,781
Actively Managed (wrapped by insurance):	
Low Duration Fixed Income	309,914,898
Intermediate Duration Fixed Income	270,129,879
Core Fixed Income	<u>155,383,187</u>
Total Stable Value Fund	776,361,745
Total Savings Plan Funds	2,303,894,898

<u>Pension Savings Plan:</u>	Market Value
Cash and equivalent	\$9,467,785
Actively Managed (wrapped by insurance):	
Low Duration Fixed Income	61,821,463
Intermediate Duration Fixed Income	53,316,467
Core Fixed Income	<u>28,569,205</u>
Total Stable Asset Fund	153,174,920

Invesco has the discretionary power to manage all the assets in the Plan's stable value fund in accordance with the adopted Stable Income Policy Statement. Investments are either sub-advised within Invesco Group Trusts (IGT) or held in a separate account.

<u>Underlying Fund</u>	<u>Duration</u>	<u>Percentage as of 06/30/2016</u>
<u>Horizons Plan</u>		
Invesco AIM ¹	STIF Cash Manager	6.6%
IGT Invesco	Short Duration Bond	21.1%
IGT Jennison	Short Duration Bond	5.4%
IGT Voya	Short Duration Bond	<u>12.6%</u>
		39.1%
IGT Blackrock	Intermediate Bond	10.6%
IGT Jennison	Intermediate Bond	13.2%
IGT PIMCO	Intermediate Bond	<u>10.7%</u>
		34.5%
IGT Dodge & Cox	Core Bond	10.6%
IGT PIMCO	Core Bond	3.4%
Prudential ¹	Core Bond	<u>5.8%</u>
		19.8%
<u>Savings Plan</u>		
Invesco AIM ¹	STIF Cash Manager	5.3%
IGT Invesco	Short Duration Bond	20.9%
IGT Jennison	Short Duration Bond	5.3%
IGT Voya	Short Duration Bond	13.3%
Legacy	Short Duration Bond	<u>0.2%</u>
		39.7%
IGT Blackrock	Intermediate Bond	10.9%
IGT Jennison	Intermediate Bond	13.2%
IGT PIMCO	Intermediate Bond	<u>10.8%</u>
		34.9%
IGT Dodge & Cox	Core Bond	9.5%

Underlying Fund	Duration	Percentage as of 06/30/2016
IGT PIMCO	Core Bond	4.0%
Prudential ¹	Core Bond	<u>6.6%</u>
		20.1%
<u>Pension Savings Plan</u>		
Invesco AIM ¹	STIF Cash Manager	6.1%
IGT Invesco	Short Duration Bond	28.5%
IGT Voya	Short Duration Bond	<u>11.1%</u>
		39.6%
IGT Blackrock	Intermediate Bond	4.0%
IGT Jennison	Intermediate Bond	9.3%
IGT PIMCO	Intermediate Bond	9.3%
MassMutual ¹	Intermediate Bond	<u>11.5%</u>
		34.1%
IGT Blackrock	Core Bond	2.0%
IGT Dodge & Cox	Core Bond	8.7%
IGT Invesco	Core Bond	2.7%
IGT PIMCO	Core Bond	1.9%
Prudential ¹	Core Bond	<u>4.9%</u>
		20.2%

¹ Separate account

2.0 PURPOSE

The TTC representing the County as Sponsor and the PACs of the County's DC plans invite qualified firms to submit their proposals in accordance with this RFP.

The PACs are soliciting proposals from qualified stable value consulting services firms who can provide stable fund consulting services for the County's DC Plans. The services being sought by this RFP are set forth in *Appendix A, Statement of Work (SOW)*. Proposers are invited to submit stable fund consulting services proposals for the Horizons Plan, the Savings Plan, and/or the Pension Savings Plan as detailed in the SOW. **If one Proposer is selected to provide stable fund consulting services for multiple Plans, the Proposer shall be awarded separate contracts for each Plan: one for the Horizons Plan, one for the Savings Plan, and/or one for the Pension Savings Plan.**

Standard County/PACs Terms and Conditions

Contractor shall be expected to implement the *Sample Contract* as contained in *Appendix C*, of this RFP.

2.1 Anticipated Contract Term

In accordance with *Appendix C, Sample Contract*, subparagraph 5.11 (Term of Contract), the contract term shall commence on the date first set forth in the Contract for an initial period of three years, with up to two one-year renewal options for a maximum total Contract term of five years, and month-to-month extensions thereafter, as needed, until a new contract is awarded.

2.2 Contract Rates

The Contractor's rates shall remain firm and fixed for the initial and renewal terms of the Contract in accordance with *Appendix D, Exhibit 11 Pricing Schedule*. The Contractor's rates will be pro-rated for any month-to-month extensions thereafter.

2.3 Days of Operation

The Contractor shall be required to provide stable fund consulting services during regular business hours. In addition, the Contractor shall be available to provide advice during non-business hours should the need arise requiring the PACs to make immediate decisions, or to take immediate actions in response to certain financial market conditions.

2.4 Indemnification and Insurance

Contractor shall be required to comply with the indemnification provisions contained in *Appendix C, Sample Contract*, Subparagraph 8.23. The Contractor shall procure, maintain, and provide to the County proof of insurance coverage for all the programs of insurance along with associated amounts specified in the *Appendix C, Sample Contract*, Subparagraphs 8.24 and 8.25.

2.5 SPARTA Program

A County program, known as 'SPARTA' (Service Providers, Artisan and Tradesman Activities) may be able to assist potential Contractors in obtaining affordable liability insurance. The SPARTA Program is administered by the County's insurance broker, Merriwether & Williams. For additional information, Proposers may call Merriwether & Williams toll free at (800) 420-0555 or access their website directly at www.2sparta.com

2.6 Terms and Definitions

Throughout this RFP, references are made to certain persons, groups, or Departments/Agencies. For convenience, a description of specific definitions can be described in *Appendix C, Sample Contract*, Paragraph 2.0, Definitions.

3.0 PROPOSER'S MINIMUM MANDATORY QUALIFICATIONS

Interested and qualified Proposers that can demonstrate their ability to successfully provide the required services outlined in *Appendix A, SOW*, of this RFP are invited to submit proposal(s), provided they meet the following requirements:

- A. Proposer must have been in stable value consulting business for a minimum of ten (10) years and have at least (5) five years documented experience in providing stable value consulting services for DC plans, having stable value consulting services of DC plan assets in excess of \$1 billion. Proposer should also have knowledge of applicable laws and regulations to effectively provide services as identified in *Appendix A, SOW*, of this RFP.
- B. Proposer must be qualified to do business in the State of California.
- C. Proposer must acknowledge that it is a fiduciary with respect to the Plans and agree to discharge its duties and exercise its powers in accordance with the Standard of Care.
- D. Proposer must not have any unresolved legal issues with the County, State or federal regulators.
- E. Proposer must be able to provide separate service fees and invoices for the Horizons Plan, the Savings Plan and Pension Savings Plan described in *Appendix A, SOW*.
- F. Proposer's lead service contact for the contract shall have at least (5) five years' experience in stable value consulting services for a large defined contribution or benefit plan with assets in excess of \$1 billion.
- G. Proposer must be found responsive and responsible in responding to this RFP.
- H. Proposer must have relevant insurance coverage and bonding limits to service plans with assets in excess of \$1 billion.
- I. Proposer must comply and provide evidence with all insurance requirements set forth in *Appendix C, Sample Contract, Subparagraphs 8.24 and 8.25*, of this RFP.
- J. Proposer must comply with the RFP format and other requirements set forth in *Paragraph 7.0, Proposal Submission Requirements*, of this RFP when submitting its proposal.
- K. Proposer must respond positively to a willingness to hire GAIN/GROW participants (reference *Subparagraph 5.14* in this RFP).
- L. Proposer must certify intent to comply with the County's Child Support Compliance Program (reference *Subparagraph 5.10* in this RFP).

- M. Proposer must certify intent to comply with the County's Jury Service Program (reference *Subparagraph 5.17* in this RFP)
- N. To avoid termination of a stable fund consulting agreement for reasons that relate to the violation by the stable fund adviser of the Securities and Exchange Commission ("SEC") Rules 204-2 and 206(4)-3 and 206(4)-5 under the Investment Advisers Act of 1940, commonly referred to as the "pay-to-play rules," Proposer must certify that it has adopted a company-wide policy to address the SEC Rules and internal procedures to monitor compliance with the SEC Rules and the Proposer's policy, and agree to certain reporting and enforcement provisions related thereto.

4.0 PACS' RIGHTS AND RESPONSIBILITIES

The PACs are not responsible for any oral or written representations made by any of its officers or employees prior to the execution of the Contract unless such understanding or representation is included in writing in the Contract.

4.1 Final Contract Award by the PACs

Notwithstanding a recommendation of a Department, agency, individual, or other, the PACs retain the right to exercise its judgment concerning the selection of a proposal and the terms of any resultant agreement, and to determine which proposal best serves the interests of the Plan(s).

Acceptance or recommendation of a proposal does not constitute formation of a contract. A contract can be created only by formal approval by the PACs and executed according to law.

4.2 PACs' Option to Reject Proposals

Proposers are hereby advised that this RFP is an informal solicitation for proposals only, and is not intended, and is not to be construed as, an offer to enter into a contract or as a promise to engage in any formal competitive bidding or negotiations pursuant to any statute, ordinance, rule, or regulation. The PACs may, at their sole discretion, reject any or all proposals submitted in response to this RFP or may, in their sole discretion, reject all proposals and cancel the RFP in its entirety. The County/PACs shall not be liable for any costs incurred by the Proposer in connection with the preparation and submission of any proposal. The PACs reserve the right to waive inconsequential disparities in a submitted proposal.

4.3 PACs' Right to Amend Request for Proposals

The PACs have the right to amend the RFP by written addendum. The PACs are responsible only for that which is expressly stated in the solicitation document and any authorized written addenda thereto. Such addendum shall be made available to each person or organization which

PAC records indicate has received this RFP. Should such addendum require additional information not previously requested, failure to address the requirements of such addendum may result in the Proposal being found non-responsive and not being considered, as determined in the sole discretion of the PACs. The PACs are not responsible for and shall not be bound by any representations otherwise made by any individual acting or purporting to act on its behalf.

4.4 Background and Security Investigations

All Contractor personnel performing work under the Contract shall be required to undergo and pass, to the satisfaction of the TTC, a background investigation as a condition of beginning and continuing to work under the Contract.

Such background investigation must be obtained through fingerprints submitted to the California Department of Justice and include state, local, and federal level review, which may include, but are not limited to, criminal conviction information. Examples of disqualifying factors include, but are not limited to, bribery, robbery, theft, fraud, embezzlement, forgery, extortion and perjury, or possession, sale or attempt to sell a controlled substance, and possession, sale or attempt to sell stolen property, or any felony conviction or conviction of a misdemeanor involving moral turpitude, and job-related misdemeanor convictions. The fees associated with background investigation shall be at the expense of the Contractor regardless if the member of Contractor's staff passes or fails the background investigation.

Contractor shall assure that any persons or entities who will be responsible for performing under this Contract, including any Agents or Sub-Contractors, are experienced in the performance of the various functions contemplated by this Contract and have not been subject to criminal investigation, indictment or conviction, found liable in a civil or administrative proceeding, pleaded no contest, or agreed to any consent decree with respect to any matter involving breach of trust, breach of fiduciary duty, fraud, theft, moral turpitude, securities law violations, income tax evasion or bankruptcy law violations.

4.5 PACs' Quality Assurance Plan

After contract award, the TTC or its agent will evaluate the Contractor's performance under the contract on a periodic basis. Such evaluation will include assessing Contractor's compliance with all terms in the Contract and performance standards identified in the SOW. Contractor's deficiencies which the TTC determines are severe or continuing and that may jeopardize performance of the Contract will be reported to the PACs. The report will include improvement/corrective action measures taken by the TTC or its agent and Contractor. If improvement does not occur consistent with the corrective action measures, the PACs may terminate the Contract in whole or in part, or impose other penalties as specified in the Contract.

5.0 PROPOSER'S REQUIREMENTS AND CERTIFICATIONS

5.1 Notice to Proposers Concerning the Public Records Act

- 5.1.1 Responses to this solicitation shall become the exclusive property of the PACs. Absent extraordinary circumstances, the recommended proposer's proposal will become a matter of public record when (1) contract negotiations are complete; (2) TTC receives a letter from the recommended Proposer's authorized officer that the negotiated contract is the firm offer of the recommended Proposer; and (3) TTC releases a copy of the recommended Proposer's proposal in response to a Notice of Intent to Request a Proposed Contractor Selection Review under Board Policy No. 5.055.

Notwithstanding the above, absent extraordinary circumstances, all proposals will become a matter of public record when the PACs consider and select a contractor(s).

Exceptions to disclosure are those parts or portions of all proposals that are justifiably defined as business or trade secrets, and plainly marked by the Proposer as "Trade Secret," "Confidential," or "Proprietary."

- 5.1.2 The County/PACs shall not, in any way, be liable or responsible for the disclosure of any such record or any parts thereof, if disclosure is required or permitted under the California Public Records Act or otherwise by law. A blanket statement of confidentiality or the marking of each page of the proposal as confidential shall not be deemed sufficient notice of exception. The Proposers must specifically label only those provisions of their respective proposal which are "Trade Secrets," "Confidential," or "Proprietary" in nature.
- 5.1.3 In the event the County/PACs is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "confidential," "trade secrets," or "proprietary," Proposer agrees to defend and indemnify County/PACs from all costs and expenses, including reasonable attorneys' fees, incurred in connection with any action, proceedings, or liability arising in connection with the Public Records Act request.

5.2 Contact with PAC Personnel

All contact regarding this RFP or any matter relating thereto must be in writing and may be mailed, emailed or faxed as follows:

Teresa Gee
Administrator, Defined Contribution Plans
County of Los Angeles
500 West Temple Street – Room 432
Los Angeles, California 90012
Email address: tgee@ttc.lacounty.gov and
elee@ttc.lacounty.gov
Fax Number: (213) 625-2249

5.3 Mandatory Requirement to Register on County's WebVen

Prior to a contract award, all potential Contractors must register in the County's WebVen. The WebVen contains the Vendor's business profile and identifies the goods/services the business provides. Registration can be accomplished online via the Internet by accessing the County's home page at <http://camisvr.co.la.ca.us/webven/>

5.4 Protest Policy Review Process

5.4.1 Under Board Policy No. 5.055 (Services Contract Solicitation Protest), any prospective Proposer may request a review of the requirements under a solicitation for a PAC-approved services contract, as described in Subparagraph 5.4.3 below. Additionally, any actual Proposer may request a review of a disqualification or of a proposed Contract Award under such a solicitation, as described respectively in the Sections below. It is the responsibility of the Proposer challenging the decision of a County Department to demonstrate that the Department committed a sufficiently material error in the solicitation process to justify invalidation of a proposed Contract Award.

5.4.2 Throughout the review process, the PACs have no obligation to delay or otherwise postpone a Contract Award based on a Proposer's protest. In all cases, the PACs reserve the right to make an award when it is determined to be in the best interest of the Plans to do so.

5.4.3 Grounds for Review

Unless State or Federal statutes or regulations otherwise provide, the grounds for review of a solicitation for a PAC-approved services contract provided for under Board Policy No. 5.055 are limited to the following:

1. Review of Solicitation Requirements (Reference *Subparagraph 7.3 of this RFP Proposal Submission Requirements*).

2. Review of a Disqualified Proposal (Reference *Subparagraph 8.3* of this RFP).
3. Review of Proposed Contractor Selection (Reference *Subparagraph 8.4* of this RFP).

5.5 Injury and Illness Prevention Program (IIPP)

Contractor shall be required to comply with the State of California's Cal OSHA's regulations. Section 3203 of Title 8 in the California Code of Regulations requires all California employers to have a written, effective IIPP that addresses hazards pertaining to the particular workplace covered by the program.

5.6 Confidentiality and Independent Contractor Status

As appropriate, Contractor shall be required to comply with the Confidentiality provision contained in Subparagraph 8.22 in *Appendix C, Sample Contract*.

5.7 Conflict of Interest

No County employee whose position in the County enables him/her to influence the selection of a Contractor for this RFP, or any competing RFP, nor any spouse or economic dependent of such employees shall be employed in any capacity by a Proposer or have any other direct or indirect financial interest in the selection of a Contractor. Proposer shall certify that he/she is aware of and has read Section 2.180.010 of the County Code as described in *Appendix D - Required Forms Exhibit 5, Certification of No Conflict of Interest*.

5.8 Determination of Proposer Responsibility

- 5.8.1 A responsible Proposer is a Proposer who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the Contract(s). It is the PACs' policy to conduct business only with responsible Proposers.
- 5.8.2 Proposers are hereby notified that, in accordance with Chapter 2.202 of the County Code, the County may determine whether the Proposer is responsible based on a review of the Proposer's performance on any contracts including, but not limited to the County and/or PACs contracts. Particular attention will be given to violations of labor laws related to employee compensation and benefits, and evidence of false claims made by the Proposer against public entities. Labor law violations which are the fault of the subcontractors and of which the Proposer had no knowledge shall not be the basis of a determination that the Proposer is not responsible.

- 5.8.3 The PACs may declare a Proposer to be non-responsible for purposes of this contract if the PACs, in its discretion, finds that the Proposer has done any of the following: (1) violated a term of a contract with the PACs; (2) committed an act or omission which negatively reflects on the Proposer's quality, fitness or capacity to perform a contract with the PACs, any other public entity, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or omission which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against the PACs, County or any other public entity.
- 5.8.4 If there is evidence that the apparent highest ranked Proposer may not be responsible, the PACs shall notify the Proposer in writing of the evidence relating to the Proposer's responsibility, and that the Proposer be found not responsible. The PACs shall provide the Proposer and/or the Proposer's representative with an opportunity to present evidence as to why the Proposer should be found to be responsible and to rebut evidence which is the basis for the PAC's recommendation.
- 5.8.5 If the Proposer presents evidence in rebuttal to the PACs, the PACs shall evaluate the merits of such evidence. The final decision concerning the responsibility of the Proposer shall reside with the PACs.
- 5.8.6 These terms shall also apply to proposed subcontractors of Proposers on PACs contracts.

5.9 Proposer Debarment

- 5.9.1 The Proposer is hereby notified that, in accordance with Chapter 2.202 of the County Code, the PACs may debar the Proposer from bidding or proposing on, or being awarded, and/or performing work on other PACs contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and the PACs may terminate any or all of the Proposer's existing contracts with the Plans, if the PACs find, in their discretion, that the Proposer has done any of the following: (1) violated a term of a contract with the Plans; (2) committed an act or omission which negatively reflects on the Proposer's quality, fitness or capacity to perform a contract with the Plans, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or offense which indicates a lack of business integrity or business honesty; or (4) made or submitted a false claim against the Plans or any other public entity.
- 5.9.2 If there is evidence that the apparent highest ranked Proposer may be subject to debarment, the TTC shall notify the Proposer in writing

of the evidence which is the basis for the proposed debarment, and shall advise the Proposer of the scheduled date for a debarment hearing before the Contractor Hearing Board.

- 5.9.3 The Contractor Hearing Board shall conduct a hearing where evidence on the proposed debarment is presented. The Proposer and/or Proposer's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Proposer should be debarred, and, if so, the appropriate length of time of the debarment. The Proposer and the PACs shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board.
- 5.9.4 After consideration of any objections, or if no objections are received, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board. The Board shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- 5.9.5 If a Proposer has been debarred for a period longer than five years, that Proposer may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Proposer has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.
- 5.9.6 The Contractor Hearing Board will consider requests for review of a debarment determination only where (1) the Proposer has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

- 5.9.7 The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- 5.9.8 These terms shall also apply to proposed subcontractors of Proposers on the Plans contracts.
- 5.9.9 *Appendix H* provides a link to the County's website where there is a listing of Contractors that are currently on the Debarment List for County.

5.10 Adherence to County's Child Support Compliance Program

Proposers shall: 1) fully comply with all applicable State and Federal reporting requirements relating to employment reporting for its employees; and 2) comply with all lawfully served Wage and Earnings Assignment Orders and Notice of Assignment and continue to maintain compliance during the term of any contract that may be awarded pursuant to this solicitation. Failure to comply may be cause for termination of a contract or initiation of debarment proceedings against the non-compliant Contractor (County Code Chapter 2.202).

5.11 Gratuities

5.11.1 Attempt to Secure Favorable Treatment

It is improper for any County officer, employee or agent to solicit consideration, in any form, from a Proposer with the implication, suggestion or statement that the Proposer's provision of the consideration may secure more favorable treatment for the Proposer in the award of the Contract or that the Proposer's failure to provide such consideration may negatively affect the County's consideration of the Proposer's submission. A Proposer shall not offer or give either directly or through an intermediary, consideration, in any form, to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the Contract.

5.11.2 Proposer Notification to the PACs/County

A Proposer shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861. Failure to report such a

solicitation may result in the Proposer's submission being eliminated from consideration.

5.11.3 Form of Improper Consideration

Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

5.12 Notice to Proposers Regarding the County Lobbyist Ordinance

The Board of the County has enacted an ordinance regulating the activities of persons who lobby County Officials. This ordinance, referred to as the "Lobbyist Ordinance", defines a County Lobbyist and imposes certain registration requirements upon individuals meeting the definition. The complete text of the ordinance can be found in County Code Chapter 2.160. In effect, each person, corporation or other entity that seeks a County permit, license, franchise or contract must certify compliance with the ordinance. As part of this solicitation process, it will be the responsibility of each Proposer to review the ordinance independently as the text of said ordinance is not contained within this RFP. Thereafter, each person, corporation, or other entity submitting a response to this solicitation, must certify that each County Lobbyist, as defined by County Code Section 2.160.010, retained by the Proposer is in full compliance with Chapter 2.160 of the County Code and each such County Lobbyist is **not** on the Executive Office's List of Terminated Registered Lobbyists by completing and submitting the Familiarity with the County Lobbyist Ordinance Certification, as set forth in Appendix D - Required Forms Exhibit 6, as part of their proposal.

5.13 Federal Earned Income Credit

The Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015. Reference *Appendix I*.

5.14 Consideration of GAIN/GROW Participants for Employment

As a threshold requirement for consideration for contract award, Proposers shall demonstrate a proven record of hiring participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) or General Relief Opportunity for Work (GROW) Programs or shall attest to a willingness to consider GAIN/GROW participants for any future employment openings if they meet the minimum qualifications for that opening. Proposers shall attest to a willingness to provide employed GAIN/GROW participants access to the Proposers' employee mentoring program, if available, to assist these individuals in obtaining permanent employment and/or promotional opportunities.

Proposers who are unable to meet this requirement shall not be considered for contract award. Proposers shall submit a completed, "Attestation of Willingness to Consider GAIN/GROW Participants", form, as set forth in *Appendix D - Required Forms, Exhibit 9*, along with their proposal.

5.15 Recycled Bond Paper

Proposer shall be required to comply with the County's policy on recycled bond paper as specified in *Appendix C, Sample Contract*, Subparagraph 8.39.

5.16 Safely Surrendered Baby Law

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in County, and where and how to safely surrender a baby. The fact sheet is set forth in *Appendix J* of this solicitation document and is also available on the Internet at www.babysafela.org for printing purposes.

5.17 Jury Service Program

The prospective contract is subject to the requirements of the County's Contractor Employee Jury Service Ordinance ("Jury Service Program") County Code, Chapter 2.203). Prospective Contractors should carefully read the Jury Service Ordinance, Appendix G, and the pertinent jury service provisions of the *Sample Contract, Appendix C*, Subparagraph 8.8, both of which are incorporated by reference into and made a part of this RFP. The Jury Service Program applies to both Contractors and their Subcontractors.

Proposals that fail to comply with the requirements of the Jury Service Program will be considered non-responsive and excluded from further consideration.

5.17.1 The Jury Service Program requires Contractors and their Subcontractors to have and adhere to a written policy that provides that its employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the employee's regular pay the fees received for jury service. For purposes of the Jury Service Program, "employee" means any California resident who is a full-time employee of a Contractor and "full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) the Contractor

has a long-standing practice that defines the lesser number of hours as full-time. Therefore, the Jury Service Program applies to all of a Contractor's full-time California employees, even those not working specifically on the County project. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program.

- 5.17.2 There are two ways in which a Contractor might not be subject to the Jury Service Program. The first is if the Contractor does not fall within the Jury Service Program's definition of "Contractor". The Jury Service Program defines "Contractor" to mean a person, partnership, corporation or other entity which has a contract with the County or a Subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. The second is if the Contractor meets one of the two exceptions to the Jury Service Program. The first exception concerns small businesses and applies to Contractors that have 1) ten or fewer employees; and, 2) annual gross revenues in the preceding twelve months which, if added to the annual amount of this Contract is less than \$500,000, and, 3) is not an "affiliate or subsidiary of a business dominant in its field of operation". The second exception applies to Contractors that possess a collective bargaining agreement that expressly supersedes the provisions of the Jury Service Program. The Contractor is subject to any provision of the Jury Service Program not expressly superseded by the collective bargaining agreement.
- 5.17.3 If a Contractor does not fall within the Jury Service Program's definition of "Contractor" or if it meets any of the exceptions to the Jury Service Program, then the Contractor must so indicate in the Certification Form and Application for Exception, Exhibit 10 in Appendix D - Required Forms, and include with its submission all necessary documentation to support the claim such as tax returns or a collective bargaining agreement, if applicable. Upon reviewing the Contractor's application, the County will determine, in its sole discretion, whether the Contractor falls within the definition of Contractor or meets any of the exceptions to the Jury Service Program. The County's decision will be final.

5.18 Notification to PACs of Pending Acquisitions/Mergers

The Proposer shall notify the PACs of any pending acquisitions/mergers of their company. This information shall be provided by the Proposer on *Appendix D Required Form - Exhibit 1 - Proposer's Organization Questionnaire/Affidavit*. Failure of the Proposer to provide this information may eliminate its proposal from any further consideration. Proposer shall have a continuing obligation to notify PACs of changes to the information contained in *Exhibit 1 – Proposer's Organization Questionnaire/Affidavit* during the pendency of this RFP by providing a revised *Exhibit 1 Proposer's Organization Questionnaire* to the PACs upon the occurrence of any event giving rise to a change in its previously-reported information.

5.19 Defaulted Property Tax Reduction Program

The prospective contract is subject to the requirements of the County's Defaulted Property Tax Reduction Program ("Defaulted Tax Program") (County Code, Chapter 2.206). Prospective Contractors should carefully read the Defaulted Property Tax Program Ordinance, *Appendix K*, and the pertinent provisions of the *Sample Contract, Appendix C*, Subparagraph 8.51 and 8.52, both of which are incorporated by reference into and made a part of this solicitation. The Defaulted Tax Program applies to both Contractors and their Subcontractors.

Proposers shall be required to certify that they are in full compliance with the provisions of the Defaulted Tax Program and shall maintain compliance during the term of any contract that may be awarded pursuant to this solicitation or shall certify that they are exempt from the Defaulted Tax Program by completing Certification of Compliance with The County's Defaulted Property Tax Reduction Program, *Exhibit 13 in Appendix D – Required Forms*. Failure to maintain compliance, or to timely cure defects, may be cause for termination of a contract or initiation of debarment proceedings against the non-compliance contractor (County Code, Chapter 2.202).

Proposals that fail to comply with the certification requirements of the Defaulted Tax Program will be considered non-responsive and excluded from further consideration.

5.20 Time Off for Voting

The Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than 10 days before every statewide election, every Contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.

6.0 COUNTY'S PREFERENCE PROGRAMS

6.1 County Policy on Doing Business with Small Business

- 6.1.1 The County has multiple programs that address small businesses. The Board of Supervisors encourages small business participation in the County's contracting process by constantly streamlining and simplifying our selection process and expanding opportunities for small businesses to compete for our business.
- 6.1.2 The Local Small Business Enterprise Preference Program requires the Company to complete a certification process. This program and how to obtain certification are further explained in Subparagraph 6.2 of this solicitation.
- 6.1.3 The Jury Service Program, provide exceptions to the Program if a company qualifies as a Small Business. Further explanations of the Program are provided in Subparagraph 5.17 - Jury Service Program.
- 6.1.4 The County also has a Policy on Doing Business with Small Business that is described in *Appendix F*.

6.2 Local Small Business Enterprise Preference Program

- 6.2.1 The County will give Local Small Business Enterprise (SBE) preference during the solicitation process to businesses that meet the definition of a Local SBE, consistent with Chapter 2.204.030C.1 of the County Code. A Local SBE is defined as: 1) A business certified by the State of California as a small business and 2) has had its principal office located in County for at least one year. The business must be certified by Internal Services Department (ISD) as meeting the requirements set forth in 1 and 2 above prior to requesting the Local SBE Preference in a solicitation.
- 6.2.2 To apply for certification as a Local SBE, businesses may register with ISD at <http://laosb.org>
- 6.2.3 Certified Local SBEs must request the SBE Preference in their solicitation responses and may not request the preference unless the certification process has been completed and certification affirmed. Businesses must attach the Local SBE Certification Letter to the Required Form - Request for Local SBE Preference Program Consideration and CBE Firm/Organization Information Form - Exhibit 7 in Appendix D - Required Forms with their proposal. Sanctions and financial penalties may apply to a business that knowingly, and with intent to defraud, seeks to obtain or maintain certification as a certified Local SBE.

6.2.4 Information about the State's small business enterprise certification regulations is in the California Code of Regulations, Title 2, Subchapter 8, Section 1896 et seq., and is also available on the California Department of General Services Office of Small Business Certification and Resources Web site at <http://www.pd.dgs.ca.gov/smbus/default>.

6.3 Local Small Business Enterprise Prompt Payment Program

It is the intent of the County that Certified Local SBEs receive prompt payment for services they provide to County Departments. Prompt payment is defined as 15 calendar days after receipt of an undisputed invoice.

6.4 Disabled Veteran Business Enterprise Preference Program

6.4.1 The County will give preference during the solicitation process to businesses that meet the definition of a Disabled Veteran Business Enterprise (DVBE), consistent with Chapter 2.211 of the Los Angeles County Code. A DVBE vendor is defined as: 1) A business which is certified by the State of California as a Disabled Veteran Business Enterprise; or 2) A business which is certified by the Department of Veterans Affairs as a Service Disabled Veteran Owned Small Business (SDVOSB).

6.4.2 Certified DVBE vendors must request the preference in their solicitation responses and may not request the preference unless the certification process has been completed and certification is affirmed.

6.4.3 In no case shall the DVBE Preference Program price or scoring preference be combined with any other county preference program to exceed eight percent (8%) in response to any county solicitation.

6.4.4 Sanctions and financial penalties may apply to a business that knowingly, and with intent to defraud, seeks to obtain or maintain certification as a certified DVBE.

6.4.5 To request the DVBE Preference, Proposer must complete and submit the Request for DVBE Consideration form in Appendix D, Required Forms, Exhibit 14, with supporting documentation with their proposal.

Information about the State's DVBE certification regulations is found in the California Code of Regulations, Title 2, Subchapter 8, Section 1896 et seq., and is also available on the California Department of General Services Office of Disabled Veteran Business Certification and Resources Website at <http://www.pd.dgs.ca.gov/>

Information on the Department of Veteran Affairs SDVOSB certification regulations is found in the Code of Federal Regulations, 38CFR 74 and is also available on the Department of Veterans Affairs Website at: <http://www.vetbiz.gov/>

6.5 Transitional Job Opportunities Preference Program

- 6.5.1 In evaluating proposals, the County will give preference to businesses that are certified by the County as Transitional Job Opportunity vendors, consistent with Chapter 2.205 of the County Code. A Certified Transitional Job Opportunity vendor is, and has been such for three years, an entity: 1) that is a non-profit organization recognized as tax exempt pursuant to section 501 (c) (3) of the Internal Revenue Service Code; set forth, under penalty of perjury, such information as requested by the County on either electronic or hard copy forms, along with their application form and three most recent annual tax returns to the Department with their proposal response to the contracting solicitation for which they are competing; 2) has been in operation for at least one year providing transitional job and the related supportive services to program participants; and 3) provide a profile of their program with a description of their program components designed to assist program participants, number of past program participants, and any other information requested by a contracting Department.
- 6.5.2 Transitional Job Opportunities vendors must request the preference in their solicitation response and may not receive the preference until their certification has been affirmed by the applicable Department. County must verify the Transitional Job Opportunity vendor certification prior to applying the preference. Sanctions and financial penalties may apply to a Proposer that knowingly and with intent to defraud seeks to obtain or maintain certification as a Transitional Job Opportunities vendor.
- 6.5.3 To request the Transitional Job Opportunities Preference, Proposer must complete the Transitional Job Opportunities Preference Application in *Appendix D – Required Forms – Exhibit 15* and submit it along with all supporting documentation with their proposal.

7.0 PROPOSAL SUBMISSION REQUIREMENTS

This Section contains key project dates and activities as well as instructions to Proposers in how to prepare and submit their proposal.

7.1 Truth and Accuracy of Representations

False, misleading, incomplete, or deceptively unresponsive statements in connection with a proposal shall be sufficient cause for rejection of the

proposal. The evaluation and determination in this area shall be at the PACs' sole judgment and judgment shall be final. All proposals shall be firm and final offers and may not be withdrawn for a period of 270 days following the final proposal submission date.

7.2 RFP Timetable

The timetable for this RFP is as follows:

Release of RFP	08/03/16
Written Questions Due (11:00 a.m. Pacific Time)	08/11/16
Questions and Answers Released (on or about)	08/17/16
Request for a Solicitation Requirements Review	
Due (11:00 a.m. Pacific Time)	08/17/16
Proposals due by (12:00 Noon, Pacific Time)	08/25/16
Projected Date for Finalist Presentation/Interviews	09/30/16
Projected Contractor(s) Selection Date	09/30/16
Projected Contract Effective Date (Plans - SOW)	12/01/16
Projected Implementation Date.....	12/01/16

This schedule is tentative and subject to change at TTC's discretion.

7.3 Solicitation Requirements Review

Any person or entity may seek a Solicitation Requirements Review by submitting *Appendix E - Transmittal Form to Request a Solicitation Requirements Review* along with supporting documentation to the TTC address below. A request for a Solicitation Requirements Review may be denied, in the PACs sole discretion, if the request does not satisfy all of the following criteria:

- 7.3.1 The request for a Solicitation Requirements Review is to be received within ten (10) business days of the issuance of the solicitation document;
- 7.3.2 The request for a Solicitation Requirements Review includes documentation, which demonstrates the underlying ability of the person or entity to submit a proposal;
- 7.3.3 The request for a Solicitation Requirements Review itemizes in appropriate detail, each matter contested and factual reasons for the requested review; and
- 7.3.4 The request for a Solicitation Requirements Review asserts either that:

1. Application of the minimum requirements, evaluation criteria and/or business requirements unfairly disadvantage the Proposer; or,
2. Due to unclear instructions, the process may result in the PACs not receiving the best possible responses from prospective Proposers.

The Solicitation Requirements Review shall be completed and the TTC's determination shall be provided to the Proposer, in writing, within a reasonable time prior to the proposal due date.

All Requests for Solicitation Requirements Review shall be submitted to:

Teresa Gee
Defined Contribution Plans Administrator
County of Los Angeles
500 West Temple Street – Room 432
Los Angeles, California 90012
Email address: tgee@ttc.lacounty.gov and
elee@ttc.lacounty.gov
Fax Number: (213) 625-2249

It is the sole responsibility of the submitting Proposer to ensure that its request is received before the submission deadline. Submitting Proposers shall bear all risks associated with the mail, electronic and facsimile submission.

7.4 Proposer's Questions

Proposers may submit written questions regarding this RFP by mail, fax or email to the County person identified below. All questions must be received by no later than the date given in the above Subparagraph 7.2 RFP Timetable. All questions, without identifying the submitting company, will be compiled with the appropriate answers and issued as an addendum to the RFP.

When submitting questions, please specify the RFP section number, paragraph number, and page number and quote the language that prompted the question. This will ensure that the questions can be quickly found in the RFP. The PACs reserve the right to group similar questions when providing answers.

Questions may address concerns that the application of minimum requirements, evaluation criteria and/or business requirements would unfairly disadvantage Proposers or, due to unclear instructions, may result in the County not receiving the best possible responses from Proposer.

Questions should be addressed to:

Teresa Gee
Administrator, Defined Contribution Plans
County of Los Angeles
500 West Temple Street – Room 432
Los Angeles, California 90012
Email address: tgee@ttc.lacounty.gov and elee@ttc.lacounty.gov
Fax Number: (213) 625-2249

It is the sole responsibility of the submitting Proposer to ensure that its request is received before the submission deadline. Submitting Proposers shall bear all risks associated with the electronic and facsimile submission.

7.5 Preparation of the Proposal

Two separate proposals must be submitted - a Business Proposal and a Cost Proposal. All Proposals must be bound and submitted in the prescribed format. Any Proposal that deviates from this format may be rejected without review at the PACs' sole discretion.

All Proposals must be typed on 8 ½" x 11" white bond paper, bound and submitted in the prescribed format. The Proposals are to be made based on the contents of this RFP and according to the format indicated in this *Subparagraph 7.6*. The PACs shall assume no responsibility for any misunderstanding or representations concerning information provided, or conditions given, by any of its employees prior to the execution of a contract unless it is included in the RFP or in an addendum to the RFP. Any Proposal that deviates from this format may be rejected without review at the TTC sole discretion.

In preparing the written Proposal, the Proposer should do so in its own words and take care not to copy the language in this RFP. Care should also be taken to ensure that the Proposal responds completely and thoroughly to all the requirements set forth in this RFP. The objective of the Proposal submission is for the Evaluation Committee to ascertain the Proposer's ability to provide or exceed the required services. In addition, specific information is requested from all Proposers to ensure that the Proposals can be fairly compared and evaluated in a standard manner. Only that specific information which is contained in the Proposal will be evaluated.

7.6 Business Proposal Format

The content and sequence of the proposal **must** be as follows:

- Transmittal Letter
- Table of Contents

- Section A – Proposer’s Organization Questionnaire/Affidavit and Required Support Documents for Corporations and Limited Liability Companies
- Section B – Executive Summary
- Section C – Proposer’s Qualifications
- Section D – Proposer’s Approach to Provide Required Services
- Section E – Proposer’s Quality Control Plan
- Section F – Acceptance of / or Exception to Terms and Conditions in Sample Contract, and Requirements of the SOW
- Section G – Proposal Required Forms
- Section H – Green Initiatives
- Section I – Additional Materials and Data
- Last Page of Proposal

7.6.1 Transmittal Letter

The transmittal letter must be a maximum of one (1) page, transmitting the Proposal on the Proposer’s stationery. The transmittal letter must include the Proposer’s name, address, email address, telephone and facsimile numbers of the person or persons to be used for contact and who will be authorized to represent the Proposer. **The transmittal letter must bear the original signature of the person authorized to sign on behalf of the Proposer and to bind the applicant in a Contract.** The letter shall indicate whether or not the Proposer intends to perform the Contract as a single Proposer. Clearly indicate the Component(s) to be provided. The letter must contain a statement indicating that the Proposer will bear sole and complete responsibility for all work as defined in *Appendix A, SOW*.

7.6.2 Table of Contents

The table of contents must list all material included in the Proposal. Include a clear definition of the material identified by sequential page numbers and section reference numbers.

7.6.3 Section A - Proposer’s Organization Questionnaire/Affidavit and Required Support Documents

The Proposer shall complete, sign, and date the *Proposer’s Organization Questionnaire/Affidavit - Exhibit 1* as set forth in *Appendix D* indicating whether they meet the Minimum Mandatory Requirements as described in *Part 3, Proposer’s Minimum Mandatory Qualifications*. To substantiate the Proposer’s response, supporting documentation/information shall be included in this section, as appropriate. **The person signing the form must be authorized to sign on behalf of the Proposer and to bind the applicant in a Contract.**

Taking into account the structure of the Proposer's organization, Proposer shall determine which of the below referenced supporting documents the PACs require. If the Proposer's organization does not fit into one of these categories, upon receipt of the Proposal or at some later time, the PACs may, in its discretion, request additional documentation regarding the Proposer's business organization and authority of individuals to sign Contracts.

If the below referenced documents are not available at the time of Proposal submission, Proposers must request the appropriate documents from the Proposer's state of residence and provide a statement on the status of the request.

Required Support Documents

Corporations or Limited Liability Company (LLC):

The Proposer must submit the following documentation with the Proposal:

1. A copy of a "Certificate of Good Standing" with the state of incorporation/organization.
2. A conformed copy of the most recent "Statement of Information" as filed with the state listing corporate officers or members and managers.

Limited Partnership:

The Proposer must submit a conformed copy of the Certificate of Limited Partnership or Application for Registration of Foreign Limited Partnership as filed with the state, and any amendments.

7.6.4 Section B - Executive Summary

Condense and highlight the contents of the Proposer's Business Proposal to provide the PACs with a broad understanding of the Proposer's approach, qualifications, experience, and staffing.

7.6.5 Section C - Proposer's Qualifications

Demonstrate that the Proposer's organization has the experience and financial capability to perform the stable fund consulting services as described in Appendix A, SOW. In addition, this section should include a detailed description of the following:

1. Section C.1 - Proposer's organization, administration and general information

- a. Organization and Methodology: Describe the firm's organizational structure; provide a brief history of your organization and the stable fund consulting department, include year of organization, current ownership/structure, affiliated companies, and location(s) of office(s) for this assignment. List each line of business and the contribution of each business to the organization's total revenue. If an affiliate or subsidiary of an organization, what percentage of the parent firm's total revenue does your subsidiary or affiliate generate? Include an organizational chart of your firm with emphasis on the stable fund consulting department and the team that will be providing the stable fund consulting services.
- b. Staff: Identify the client service officer and stable fund consulting team that will be assigned to the County Plan(s). Provide detailed biographies, which include relevant experience, and location(s) which they will serve from. Include titles, functions, credentials, and years of experience in stable value consulting services for DC plans, identifying the firm(s) they worked for by time period. Disclose the total assets and current number of clients advised, and any other duties assigned to each staff. What is the average client to consultant ratio? Briefly describe the internal training procedures for consultants, research analysts, and performance measurement specialists. What specific methods are employed to keep staff current in regard to continuing education and changing market conditions? Identify and explain role of backup personnel.

Identify the number of people designated as:

1. Stable Value Consulting
 2. Client Service
 3. Administrative and Support Personnel
 4. Others
 5. Total Personnel in Organization supporting the above services.
- c. Other Services: List all services your firm provides related to DC plans, including services that you may have provided to meet client specific needs. Specify the services that are your special strengths and services provided to DC plans. Describe any and all services provided to plan sponsor organizations.

- d. Corporate Philosophy: Summarize your philosophy relating to the Proposer's relationship with administrative committees, staff, money managers, corporate organizations, etc.
- e. Conflict of Interest: List all services your firm provides related to DC plans, including services that you may have provided to meet client-specific needs. Describe policies and procedures to prevent possible conflicts of interest with other clients' interests, or which may result from other investment products or services provided by your firm, parent or affiliate (organization).
- f. Compensation: Provide a brief description of your firm's compensation arrangements for senior management including incentives, profit sharing and other bonuses. Describe staff participation in equity ownership. Describe any incentives that are in place to encourage key professionals to remain with the firm.
- f. Litigation (Employee): Identify if any officer or principal of the firm and those to be assigned to the contract have been involved in any litigation relating to stable fund consulting activities during the last five (5) years. If so, describe the litigation and provide the current status.
- g. Departures: Provide details on the professional staff that have left during the last (3) three years. Include position/function, date left, reason (voluntary/involuntary) and if position was replaced.
- h. Soft Dollars: Under what circumstances/relationships does your firm accept soft dollars as a method of payment for services provided?
- i. Litigation (Corporate): Identify by name, case and court jurisdiction any pending litigation in which Proposer is involved, or judgments against Proposer in the past five (5) years. Provide a statement describing the size and scope of any pending or threatening litigation against the Proposer or principals of the Proposer.
- j. Regulatory Issues: Does your firm or your parent and/or sister companies have unresolved legal issues with regulators? Please explain.

2. Section C.2 - Proposer's References

It is the Proposer's sole responsibility to ensure that the firm's name, and point of contact's name, title and phone number for

each reference is accurate. PACs may disqualify a Proposer's reference if (1) References fail to substantiate Proposer's description of the services provided; or (2) References fail to support that Proposer has a continuing pattern of providing capable, productive and skilled personnel, or (3) The TTC is unable to reach the point of contact with reasonable effort.

The Proposer must complete and include Required Forms *Exhibit 2, Exhibit 3, and Exhibit 4* as set forth in *Appendix D*. If applicable, the same references may be listed on these forms:

Prospective Contractor References, Exhibit 2. Proposer must provide five (5) references for current or recent clients for whom the Proposer provides the same or similar scope of services to those services set forth in *Appendix A, SOW*, of this RFP. **References for existing contracts/projects with PACs will not be accepted to meet this requirement.** It is important to complete *Exhibit 2* in its entirety for each individual reference. References may be verified at the sole discretion of TTC.

Prospective Contractor List of Contracts, Exhibit 3. The listing must include all contracts with public entities, including existing contracts with the County, PACs or County related entities (i.e., LACERA), if any, for the last three (3) years. Use additional sheets if necessary. If the Proposer had no County contracts during the last three (3) years, a statement to that effect should be included.

For each reference included on *Exhibit 2, Prospective Contractor References* and *Exhibit 3, Prospective Contractor List of Contracts* indicate the type of plan, size of assets, number of investment options, term of contract and description of services provided. Use additional pages, if necessary, and attach it to *Exhibits 2 and 3* accordingly.

Prospective Contractor List of Terminated Contracts, Exhibit 4. The listing must include all contracts terminated (i.e., discontinued prior to the scheduled expiration date) within the past three (3) years with the reason for termination.

3. Section C.3 - Proposer's Pending Litigation and Judgments

Litigation (Employee): Identify if any officer or principal of the firm and those to be assigned to the contract have been involved in any litigation relating to stable fund consulting activities during the last five (5) years. If so, describe and provide the current status.

Litigation (Corporate): Identify by name, case and court jurisdiction any pending litigation in which Proposer is involved,

or judgments against Proposer in the past five (5) years. Provide a statement describing the size and scope of any pending or threatening litigation against the Proposer or principals of the Proposer.

4. Section C.4 - Proof of Insurability

Vendor **must** provide proof of insurability that meets insurance requirements set forth in the *Appendix C – Sample Contract, Subparagraphs 8.24 and 8.25*. If a Proposer does not currently have the required coverage, a letter indicating a willingness to provide the required coverage should the Proposer be selected to receive a Contract award may be submitted with the proposal.

5. Section C.5 - Applicable Licenses and/or Permits (Section C.5)

Provide copies of all applicable licenses and/or permits. When a license specifies the post office address of the activity licensed, the licensee may conduct such activity only at the address specified in the license.

6. Section C.6 - Financial Capability

Provide Copies of the company's most current and prior two fiscal years (for example 2015, 2014, and 2013) audited financial statements. **If audited statements for the three (3) most recent fiscal years are not available, this will result in a lower score in this category during the evaluation process as set forth in Evaluation Criteria 9.0, Subparagraph 9.1.3, Financial Capability).** Statements should include the company's assets, liabilities and net worth. At a minimum, include the Balance Sheet (Statement of Financial Positions), Income Statement (Statement of Operations), and the Retained Earnings Statement. Proposer's Income Tax Returns will not meet this requirement. Financial statements will be kept confidential if so stamped on each page. If audited statements are not submitted, a statement as to why they were not audited must be included in this section.

7.6.6 Section D - Proposer's Approach to Provide Required Services

Present a description of the methodology and schedule of work the Proposer will use to meet Contract work requirements. Provide a comprehensive description of how you will provide the required services described in Appendix B, SOW, of this RFP. Complete the appropriate section of the Pricing Schedule for the Plan(s) for which you are submitting a proposal.

Identify whether your firm is submitting a proposal for the Horizon Plan, Savings Plan and/or Pension Savings Plan. Fully describe the services your firm will provide by responding to the following items as described in Appendix B, SOW, of this RFP. In responding to the items, please format your response with a restatement of the requested information followed by your firm's response.

1. View and Procedures: Describe your view and procedures for implementing the Plans' stable fund consulting services. Identify potential recommendations your firm would propose to PACs to improve the Plans investment products to participants and how your firm can provide superior stable fund consulting services.
2. Experience and Knowledge: Describe in detail your expertise in stable fund consulting services for governmental DC plans and your understanding of the structure of a stable fund. Describe your experience with wrap provider contracts. Describe how your experience and knowledge can directly benefit the Plans.
3. Approach and Resources: Describe the approach and resources your firm would employ as a basis to provide optimal stable fund consulting services to the Plans' investment assets and the relationship with the Plans' respective investment managers and discretionary stable value manager.
4. Legislative Issues: Describe the approach and resources your firm would employ as a basis to provide stable fund consulting services as affected by legislative, compliance and administrative changes and trends in DC plans.
5. Describe your stable fund consulting services. Describe your procedure for ensuring that all relevant issues are being addressed. Describe your ability to implement, establish and maintain the required stable fund consulting services as requested for the Plans. Describe how your organization can ensure client satisfaction. Provide samples of performance reports you would provide to the PACs.
6. When did you begin providing stable fund consulting services? Provide a brief history of your stable fund consulting operations, including the dates of implementation of key requirements and enhancements.

7.6.7 Section E - Proposer's Quality Control Plan

Present a comprehensive Quality Control Plan to be utilized by the Proposer as a self-monitoring tool to ensure the required services are provided as specified in *Appendix A, SOW* and *Appendix C, Sample Contract*.

The following factors may be included in the plan:

1. Activities to be monitored to ensure compliance with all Contract requirements;
2. Monitoring methods to be used;
3. Frequency of monitoring;
4. Samples of forms to be used in monitoring;
5. Title/level and qualifications of personnel performing monitoring functions; and
6. Documentation methods of all monitoring results, including any corrective action taken.

7.6.8 Section F - Acceptance/Exception to Terms and Conditions in Sample Contract, and Requirements of *Appendix A, SOW*.

1. It is the duty of every Proposer to thoroughly review the Sample Contract and SOW to ensure compliance with all terms, conditions and requirements. It is the PACs' expectation that in submitting a proposal the Proposers will accept, as stated, the PACs' terms and conditions in the Sample Contract and the PACs' requirements in the SOW. However, the Proposers are provided the opportunity to take exceptions to the PACs' terms, conditions, and requirements.
2. Section F of Proposer's response must include:
 - a. A statement offering the Proposer's acceptance of or exceptions to all terms and conditions listed in *Appendix C, Sample Contract*.
 - b. A statement offering the Proposer's acceptance of or exceptions to all requirements listed in *Appendix A, SOW*; and
 - c. For each exception, the Proposer shall provide:
 - i. An explanation of the reason(s) for the exception;
 - ii. The proposed alternative language (if any); and
 - iii. A description of the impact (if any) to the Proposer's pricing.

3. Indicate all exceptions to the Sample Contract and/or the SOW by providing a 'red-lined' version of the language in question. The PACs rely on this procedure and any Proposer who fails to make timely exceptions as required herein, may be barred, at the PACs' sole discretion, from later making such exceptions.

The PACs reserve the right to determine if Proposers' exceptions are material enough to deem the proposal non-responsive and not subject to further evaluation.

The PACs reserve the right to make changes to the Sample Contract and its appendices and exhibits at their sole discretion.

7.6.9 Section G - Proposal Required Forms

Proposal shall include all completed, signed, and dated forms identified in Appendix D - Required Forms.

- Exhibit 1 Proposer's Organization Questionnaire/Affidavit
- Exhibit 2 Prospective Contractor Reference
- Exhibit 3 Prospective Contractor List of Contractors
- Exhibit 4 Prospective Contractor List of Terminated Contracts
- Exhibit 5 Certification of No Conflict of Interest
- Exhibit 6 Familiarity with the County Lobbyist Ordinance Certification
- Exhibit 7 Request for Local SBE Preference Program Consideration and CBE Firm/Organization Information

Note: Proposer must already be certified as a Local SBE prior to proposal submission to be eligible to request the Proposal be considered for the Local SBE Preference.

- Exhibit 8 Proposer's EEO Certification
- Exhibit 9 Attestation of Willingness to Consider GAIN/GROW Participants
- Exhibit 10 Contractor Employee Jury Service Program – Certification Form and Application for Exception
- Exhibit 11 Pricing Schedule (should also be included in the Cost Proposal)

Exhibit 12 Certification of Independent Price Determination and Acknowledgement of RFP Restrictions

Exhibit 13 Certification of Compliance with the County's Default Property Tax Reduction Program

Exhibit 14 Disabled Veteran Business Enterprise Preference Program

Exhibit 15 Transitional Opportunities Preference Application

7.6.10 Section H - Green Initiatives

Proposer must entitle Section H as "Green Initiatives" and should present a description of your firm's proposed plan for complying with the "green" requirements as specified in *Appendix A, SOW, Paragraph 6.0*. Describe your firm's current "green" environmental policies and practices and those proposed to be implemented.

7.6.11 Section I - Additional Materials and Data

Include any additional material and data not specifically requested for by evaluation, but which the Proposer wishes to submit.

7.6.12 Last Page of Proposal

The last page of the proposal must list names of all joint ventures, partners, subcontractors or others having any right or interest in the Contract or the proceeds thereof. The page must include the signature of the person authorized to bind the Proposer in a contract, as follows:

Respectfully submitted,
(Signature of Person Authorized to bind Proposer)

(Proposer's name and address and names and addresses of joint ventures, partners, subcontractors or other parties)

By _____
By _____
Date _____
Address _____
City _____
Telephone _____

7.7 Cost Proposal Format

7.7.1 Cover Page identifying, at a minimum, the RFP and the Proposer's name.

7.7.2 Use the Pricing Schedule in *Exhibit 11, Pricing Schedule*, to indicate the fees to be billed for the term of the contract including any extensions. The fees contained in your proposal must be guaranteed by your firm for a minimum of 300 days.

7.7.3 In completing *Exhibit 11, Pricing Schedule*, the Proposer may select from the following options to develop fees for the Horizons Plan, Savings Plan and/or Pension Savings Plan, as detailed in *Appendix A, SOW*:

Individual Plan(s): The Proposer shall provide the annual flat fees required to complete the proposed SOW for the Horizons Plan, Savings Plan and/or Pension Savings Plan, with separate fees identified for each Plan; and/or

Multiple Plans – Horizons Plan, Savings Plan and/or Pension Savings Plan: The Proposer shall provide the annual flat fees discount required to complete the proposed SOW for multiple Plans if the proposer is selected to provide services for more than one Plan, with a combined flat fee identified for the Plans.

7.7.4 In the event fee estimates are not acceptable, the PACs reserve the right to negotiate fees.

7.8 Proposal Submission

Proposer must submit seven complete sets individually bound of the Proposal (one original clearly marked and six numbered copies), enclosed in a sealed envelope or box, plainly marked in the upper left-hand corner with the name and address of the Proposer and bear the words: "**RFP DEFERRED COMPENSATION AND THRIFT PLAN STABLE FUND CONSULTING SERVICES, RFP SAVINGS PLAN STABLE FUND CONSULTING SERVICES, and/or RFP PENSION SAVINGS PLAN STABLE FUND CONSULTING SERVICES – RFP NUMBER – TTC RFP 2016-03 SFCS**" in the lower left-hand corner. The Proposal(s) shall be delivered or mailed to:

County of Los Angeles
Treasurer and Tax Collector
500 West Temple Street – Room 432
Los Angeles, California 90012
Attention: Teresa Gee, Administrator, Defined Contribution Plans

Proposals are due no later than 12:00 p.m. (Pacific Time) as listed in Subparagraph 7.2, RFP Timetable. Late Proposals will not be accepted. It is the sole responsibility of the submitting Proposer to ensure that its Proposal is received before the submission deadline. Submitting Proposer shall bear all risks associated with delays in delivery by any

person or entity, including but not limited to U.S. Mail. Any proposal received after the scheduled closing time for receipt of Proposals, as listed in Subparagraph 7.2, RFP Timetable, will be returned to the sender unopened. Timely hand-delivered Proposals are acceptable. Timely electronic mail (email) copy of the Proposal will be accepted provided the hard bound copies of the Proposal are delivered by 12:00 p.m. (Pacific Time) one day after the due date. The email copy of the Proposal should be delivered to:

tgee@ttc.lacounty.gov

Attention: Teresa Gee, Administrator, Defined Contribution Plans

It is the sole responsibility of the submitting Proposer to confirm that its email Proposal is received. The County is not responsible for the email system delivering problems.

7.9 Proposal Withdrawal

All proposals to perform the services, the scope of which is set forth in this Request for Proposal (RFP) for the Horizons Plan, Savings Plan and/or Pension Savings Plan Stable Fund Consulting Services, shall remain an irrevocable offer of up to and including 300 days following the RFP submission due date as specified in Subparagraph 7.2, RFP Timetable.

8.0 SELECTION PROCESS

8.1 Selection Process

The PACs reserve the sole right to judge the contents of the proposals submitted pursuant to this RFP and to review, evaluate and select the successful proposal(s). The selection process will begin with receipt of the proposals **at 12:00 p.m. (Pacific Time) as listed in Subparagraph 7.2, RFP Timetable.**

8.1.1 An Evaluation Committee will perform the evaluation of the proposals. The Evaluation Committee will evaluate the proposals and will use the evaluation approach described herein to rank proposals according to their composite scores. The higher scoring proposals, in the sole discretion of the TTC, may be invited to do a presentation before the PACs. Subsequent to the PACs presentations, the PACs will select a Contractor(s) for negotiation. The TTC and the Contractor(s) will negotiate a Contract for final approval by the PACs. If a satisfactory Contract cannot be negotiated, the TTC may, at its sole discretion, begin contract negotiations with the next highest scoring Proposer who submitted a proposal, as determined by the PACs.

8.1.2 The recommendation to award a Contract will not bind the PACs to award a Contract to the prospective Contractor.

8.1.3 The PACs retain the right to select a Proposer other than the Proposer receiving the highest score if the PACs or its designee determines, in its sole discretion, another Proposer is the most overall qualified, cost-effective, responsive, responsible and in the best interests of the PACs.

8.2 Adherence to Minimum Mandatory Requirements (Pass/Fail)

The TTC shall review the Proposer's Organization Questionnaire/Affidavit - Exhibit 1 of Appendix D, Required Forms, and determine if the Proposer meets the minimum requirements as outlined in Paragraph 3.0 of this RFP. Failure of the Proposer to comply with the minimum requirements may eliminate its proposal from any further consideration. The PACs may elect to waive any informality in a proposal if the sum and substance of the proposal is present.

8.3 Disqualification Review

A proposal may be disqualified from consideration because the TTC determined it was a non-responsive proposal at any time during the evaluation process. If the TTC determines that a proposal is disqualified due to non-responsiveness, the TTC shall notify the Proposer in writing.

Upon receipt of the written determination of non-responsiveness, the Proposer may submit a written request for a Disqualification Review within the timeframe specified in the written determination. A request for a Disqualification Review may, in the TTC's sole discretion, be denied if the request does not satisfy all of the following criteria:

- 8.3.1 The firm/person requesting a Disqualification Review is a Proposer;
- 8.3.2 The request for a Disqualification Review is submitted timely (i.e., by the date and time specified in the written determination); and,
- 8.3.3 The request for a Disqualification Review asserts that the TTC's determination of disqualification due to non-responsiveness was erroneous (e.g., factual errors, etc.) and provides factual support on each ground asserted as well as copies of all documents and other material that support the assertions.

The Disqualification Review shall be completed and the TTC determination shall be provided to the requesting Proposer, in writing, prior to the conclusion of the evaluation process.

Proposer can also be disqualified for non-responsibility – See Subparagraph 5.8

8.4 Proposed Contractor Selection Review

8.4.1 Debriefing Process

Upon PACs' approval, and prior to entering negotiations with the selected Proposer(s), the TTC shall notify the remaining Proposers in writing that the Department is entering negotiations with another Proposer. Upon receipt of the letter, any non-selected Proposer may submit a written request a Debriefing within the time specified in the letter. A request for a Debriefing may, in the Department's sole decision, be denied if the request is not received within the specified timeframe.

The purpose of the Debriefing is to compare the requesting Proposer's response to the solicitation document with the evaluation document. The requesting Proposer shall be debriefed only on its response. Because contract negotiations are not yet complete, responses from other Proposers shall not be discussed, although the TTC may inform the requesting Proposer of its relative ranking.

During or following the Debriefing, the TTC will instruct the requesting Proposer of the manner and timeframe in which the requesting Proposer must notify the TTC of its intent to request a Proposed Contractor Selection Review (see Section 8.4.2 below), if the requesting Proposer is not satisfied with the results of the Debriefing.

8.4.2 Proposed Contractor Selection Review

Any Proposer that has timely submitted a notice of its intent to request a Proposed Contractor Selection Review as described in this Section may submit a written request for a Proposed Contractor Selection Review, in the manner and timeframe as shall be specified by the TTC.

A request for a Proposed Contractor Selection Review may, in the TTC's sole discretion, be denied if the request does not satisfy all of the following criteria:

1. The person or entity requesting a Proposed Contractor Selection Review is a Proposer;
2. The request for a Proposed Contractor Selection Review is submitted timely (i.e., by the date and time specified by the TTC);
3. The person or entity requesting a Proposed Contractor Selection Review asserts in appropriate detail with factual reasons one or more of the following grounds for review:

- a. The TTC materially failed to follow procedures specified in its solicitation document. This includes:
 - i. Failure to correctly apply the standards for reviewing the proposal format requirements.
 - ii. Failure to correctly apply the standards and/or follow the prescribed methods for evaluating the proposals as specified in the solicitation document.
 - iii. Use of evaluation criteria that were different from the evaluation criteria disclosed in the solicitation document.
 - b. The TTC made identifiable mathematical or other errors in evaluating proposals, resulting in the Proposer receiving an incorrect score and not being selected as the recommended contractor.
 - c. A member of the Evaluation Committee demonstrated bias in the conduct of the evaluation.
 - d. Another basis for review as provided by state or federal law.
4. The request for a Proposed Contractor Selection Review sets forth sufficient detail to demonstrate that, but for the TTC's alleged failure, the Proposer would have been the lowest cost, responsive and responsible bid or the highest-scored proposal, as the case may be.

Upon completing the Proposed Contractor Selection Review, the TTC shall issue a written decision to the Proposer within a reasonable time following receipt of the request for a Proposed Contractor Selection Review, and always before the date the contract is to be awarded by the PACs. The written decision shall additionally instruct the Proposer of the manner and timeframe for requesting a PAC Independent Review as set forth below.

8.5 PAC Independent Review Panel Process

Any Proposer that is not satisfied with the results of the Proposed Contractor Selection Review may submit a written request for a PAC Independent Review Panel in the manner and timeframe specified by the TTC in the TTC's written decision regarding the Proposed Contractor Selection Review.

A request for the PAC Independent Review Panel may, in the PAC's sole discretion, be denied if the request does not satisfy all of the following criteria:

- 8.5.1 The person or entity requesting a PAC Independent Review is a Proposer;
- 8.5.2 The request for a PAC Independent Review Panel is submitted timely (i.e., by the date and time specified by TTC); and
- 8.5.3 The person or entity requesting review by a PAC Independent Review Panel has limited the request to items raised in the Proposed Contractor Selection Review and new items that (a) arise from TTC's written decision and (b) are one of the appropriate grounds for requesting a Proposed Contractor Selection Review as listed in Section 1.4 above.

Upon completion of the Panel's Review, the Panel will forward its report to the TTC, which will provide a copy to the Proposer.

9.0 EVALUATION CRITERIA

Proposals will be evaluated based on the criteria listed below. All evaluated proposals will receive a composite score and be ranked in numerical sequence from high to low. The Evaluation Committee may utilize the services of appropriate experts to assist in this evaluation. The Evaluation Committee will invite the two (2) or three (3) highest scoring Proposers being evaluated to make an oral presentation to the PACs. PACs will select the Proposer(s) from among the presenters or at PAC's discretion, reject all presenters and request a new RFP.

The Proposer will be evaluated on willingness to accept Terms and Conditions outlined in the *Appendix C, Sample Contract*. All exceptions, if any, to the Terms and Conditions will be evaluated together with reasons, proposed alternative language, and impact, if any, on the Proposer's price.

The PACs may deduct up to 25% of the total score from any proposal that takes exception to a contract clause or, in its sole discretion, determine that such exceptions are material enough to deem the proposal non-responsive. Proposers are further notified that the PACs may, in its sole determination, disqualify any Proposer with whom the PACs cannot satisfactorily negotiate a Contract.

9.1 Proposer's Qualifications (50%)

9.1.1 Proposer's Background and Experience (30%)

Proposer will be evaluated on their assigned personnel's stable fund consulting services experiences in large defined contribution plans (especially 457 plans). The firm must have adequate staff, including experienced stable fund consulting services professionals and technical resources to properly service the Plans. Proposer will be evaluated on their depth and breadth of stable fund consulting services expertise and capacities within defined contribution plans, including laws and regulations based on information provided in

response to *Proposal Submission Requirements, Subparagraph 7.6.5 Section C1* of this RFP.

9.1.2 Proposer's References (10%)

Proposer will be evaluated on the verification of references as provided in response to *Proposal Submission Requirements, Subparagraph 7.6.5 Section C.2* of this RFP. In addition to the references provided, an evaluation of the Proposer's references review will include the County's Contract Database reflecting past performance history on County contracts, a review of terminated contracts and a review to determine the magnitude of any pending litigation or judgments against the Proposer.

9.1.3 Financial Capability (10%)

Evaluation of the Proposer's financial capability based on a review of the financial statements provided in response to *Proposal Submission Requirements, Subparagraph 7.6.5 Section C.3* of this RFP. The PAC reserves the right, in its sole discretion, to disqualify the proposer where the proposer's financial statements demonstrate a risk which the PAC determines, in its sole discretion, it cannot assume.

9.2 Proposer's Reporting Services (25%)

The Proposer will be evaluated on its approach in providing a thorough description of the services identified in the SOW and a thorough description of the stable fund consulting services and functions as requested in *Proposal Submission Requirements, Subparagraph 7.6.6* in support of the SOW. The PACs would like to see how the Proposer can provide accurate, timely and thorough services that are presented in a simple, clear format to the PACs.

9.3 Proposer's Cost to Provide the Required Services (25%)

The proposed cost(s) to provide the proposed SOW – Component(s) shall be evaluated and scored according to cost. The maximum number of possible points will be awarded to the lowest cost proposal. All other proposals will be compared to the lowest cost and points awarded accordingly.

However, should one or more of the Proposers request and be granted the Local SBE Preference, the cost component points will be added based on the PACs' discretion.

APPENDIX A STATEMENT OF WORK CONTRACT # _____

AGREEMENT FOR STABLE FUND CONSULTING

SERVICES

BETWEEN

**COUNTY OF LOS ANGELES
457 - DEFERRED COMPENSATION AND THRIFT PLAN
ADMINISTRATIVE COMMITTEE**

[And]

401(K) - SAVINGS PLAN ADMINISTRATIVE COMMITTEE

[And]

**457 – PENSION SAVINGS PLAN
ADMINISTRATIVE COMMITTEE**

AND

STABLE FUND CONSULTING SERVICES PROVIDER

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¹ To be updated from time to time in accordance with Contract subparagraph 8.1.3.

STATEMENT OF WORK

This Statement of Work is attached as Appendix A to the Stable Fund Consulting Services Contract dated _____, 2016 (the "Contract"), between the Deferred Compensation and Thrift ("Horizons") Plan Administrative Committee, the Savings Plan Administrative Committee and the Pension Savings Plan Administrative Committee (collectively known as the "PACs") and Contractor. Pursuant to the terms of the Contract, Contractor must acknowledge that it is a fiduciary with respect to the Plans and agree to discharge its duties and exercise its powers in accordance with the Standard of Care.

Contractor shall provide all of the work detailed below pursuant to the terms of the Contract, including the Pricing Schedule, and execute services in accordance with the most current tax and securities laws and regulations.

Capitalized terms that are not defined in this Statement of Work are used as defined in the Contract.

1.0 ANNUAL REVIEW AND UPDATE OF THE STABLE FUND INVESTMENT POLICY

Contractor shall coordinate with the Plans' Search and Performance investment consultant and County staff an annual update of the Plans' Stable Fund Investment Policy Statements. All changes pertaining to the Stable Funds that are approved by the PACs during the year shall be incorporated during the annual policy update. Contractor shall present all changes to the Stable Fund Investment Policy Statements to the PACs during scheduled meetings as determined by County staff (refer to Exhibits A-1, A-2, and A-3).

2.0 PERIODIC REVIEW OF THE STABLE FUNDS' PERFORMANCE AND STRUCTURE

The Contractor shall provide all of the PAC members and County staff with a written and oral report of the Stable Funds' compliance with the respective Stable Fund Investment Policy Statements on a semi-annual basis for the Horizons Plan and the Savings Plan and on an annual basis for the Pension Savings Plan, which shall be in compliance with the Investment Management Consultants Association's Performance Reporting Standards and Association for Investment Management and Research Standards. Such report shall include but not be limited to the following:

1. Executive summary detailing the current constraints and opportunities within the Stable Funds and the industry at large, and how current and pending legislative issues would affect the Stable Fund and the industry;
2. Stable Funds' objectives and current investment constraints;
3. Detailed statement of the Stable Funds' assets;
4. Evaluation and assessment of the Discretionary Manager's strength,

stability and viability;

5. Identification and analysis of changes in the Discretionary Manager's organization, governance, fund management style, and personnel, including changes in fund investment guidelines. Analysis will include any recommendation for monitoring or replacement of the Discretionary Manager;
6. Stable value market overview;
7. Comparison of Stable Funds' performance net of fees for the current quarter and the latest 1, 3, 5 years, and since inception and performance attributions;
8. Identification of the ranking of all underlying funds (sub-advised) within the Stable Funds for the current quarter and the latest 1, 3 and 5 years, and since inception against their peers and respective benchmarks/indexes;
9. Analysis of the accuracy and appropriateness of the Stable Fund's quarterly crediting rate process and the rate itself, net of all manager and program expenses;
10. Identification and analysis of the gross and net yield of the Stable Funds' assets;
11. Identification and analysis of the Stable Funds' duration;
12. Analysis and commentary on the Stable Funds' asset changes with regard to market value and book value, and the variance between market to book; and
13. Identification and advice on any Securities and Exchange Commission or other regulatory agency investigation or probe into the Discretionary Manager's firm or sub-advised management firms associated with the Stable Funds.

Any recommendations from the Contractor that are approved by the PACs as a result of the periodic reviews shall be incorporated into the Stable Funds' Investment Policy Statements. These Policy Statements are updated annually and coordinated by the Plans' Search and Performance investment consultant. The Contractor will work with the investment consultant to incorporate all updates to the Stable Fund Investment Policy Statements, as appropriate.

3.0 UPDATE ON STABLE VALUE INDUSTRY

Contractor shall regularly research, analyze and evaluate the stable value industry and identify issues to assure that the Discretionary Manager is overseeing the Stable Funds in an optimal manner within the parameters established by the Stable Fund Investment Policy Statements. Analysis shall incorporate the impact of such developments to the Plans' Stable Funds and the

effects on the long-term value of Stable Funds' holdings. Contractor shall make recommendations as appropriate to enhance the structure, investments, and operations of the Stable Funds.

4.0 STABLE FUND ADVISORY SERVICES

Upon PACs' request, which may be in addition to the periodic reviews provided for in Section 2.0, Contractor shall provide investment advisory services including but not limited to:

1. Legislative, regulatory, compliance and administrative issues pertaining to the stable value investment industry.
2. Financial and/or economic events that may impact the Plans and the Plans' stable value investments.
3. Written and/or oral report, including recommended actions for the PACs' consideration.
4. Development of a stable fund consulting training program for PAC members and County staff on the need and benefits of stable funds and education on the current stable value industry.

5.0 OPTIONAL SERVICES

Upon PACs' request, Contractor shall provide investment advisory services including but not limited to:

1. Search to Replace Discretionary Manager or Cash Manager

A manager search to replace the Discretionary Manager or Cash Manager currently servicing the Horizons, Savings and Pension Savings Plans. If a joint search is conducted, Contractor costs for the search will be shared among the three plans on a pro rata basis based on each plan's asset level. Contractor shall, upon PAC's request, provide assistance in the selection of the manager, including contract negotiations and assistance with participant communications of any manager changes.

2. Review of Alternative Investment Strategies and Report for Pension Savings Plan

A review of alternative investment strategies beyond Stable Fund and provide a written and oral report, including recommended actions for the PAC's consideration.

3. Investment Manager Search and Selection Arising Out of Optional Services #2 for Pension Savings Plan

If PACs request a review of alternative investment strategy(ies) and Contractor recommends alternative investment strategy(ies), Contractor shall,

upon PACs' request, conduct the related manager search(es) and provide assistance in the selection of alternative investment option(s), including contract negotiations and assistance with participant communications of any investment management additions/changes.

6.0 GREEN INITIATIVES

- 6.1 Contractor shall use reasonable efforts to initiate "green" practices for environmental and energy conservation benefits.
- 6.2 Contractor shall notify County's Project Manager of Contractor's new green initiatives prior to the Contract commencement.

**STATEMENT OF INVESTMENT POLICY
FOR COUNTY OF LOS ANGELES
DEFERRED COMPENSATION AND THRIFT PLAN**

(See APPENDIX B-1)

**STATEMENT OF INVESTMENT POLICY
FOR COUNTY OF LOS ANGELES**

SAVINGS PLAN

(See APPENDIX B-2)

**STATEMENT OF INVESTMENT POLICY
FOR COUNTY OF LOS ANGELES**

PENSION SAVINGS PLAN

(See APPENDIX B-3)

**COUNTY OF LOS ANGELES
DEFERRED COMPENSATION AND THRIFT PLAN (HORIZONS PLAN)
STABLE INCOME INVESTMENT POLICY STATEMENT
Adopted: October 2015**

PURPOSE

The purpose of the Stable Income Fund (Fund) is to provide participants of the Horizons Plan (the Plan) the opportunity to accumulate capital through a fixed income investment vehicle in a tax-advantaged environment by emphasizing current income.

OBJECTIVES

The primary objective of the Fund is the preservation of capital. The secondary objective of the Fund is to generate current income with limited volatility in the book value of Fund assets. To achieve these objectives, the Fund must meet the following participant expectations:

- safety of principal;
- high real rate of return consistent with safety of principal;
- book value liquidity in accordance with Plan provisions; and
- responsiveness to changing interest rate environments.

The Fund will provide all participants with one blended rate of interest. The Fund's blended interest rate will reflect the dollar-weighted average of the interest rates applicable to each investment held by the Fund, and will be credited to all participants in the Fund, regardless of the timing of contributions or other cash flows. All contracts will permit benefit payments and in-service withdrawals which are authorized by the Plan including participant-directed investment transfers to the Plan's other investment options.

INVESTMENT STRATEGY

The following target asset allocation strategy has been adopted for the Fund:

5% Barclay's Capital U.S. Treasury Bellweather 3-Month Index
40% Barclay's Capital Custom Short-Term Bond Index
35% Barclay's Capital Intermediate Government/Credit Index
20% Barclay's Capital U.S. Aggregate Bond Index

These target allocations will be subject to variation given the market environment and Fund cash flows.

INSURANCE COMPANY MINIMUM CREDIT QUALITY CRITERIA

At the time of purchase, insurance companies selected by the Fund will meet the following criteria:

For General Obligation Investments

- An "A" (Excellent) or higher rating from A.M. Best Company.
- Invested assets of at least \$2.0 billion and adjusted policyholder surplus of \$200 million.
- At least two claims paying ability type ratings from the major rating services Fitch, Moody's and Standard & Poor's. In addition, one of the two ratings must be from Moody's.
- An average Claims-Paying Ability Rating of at least "AA-/Aa3" from Standard & Poor's, Fitch or Moody's.
- Claims-Paying Ability rating from any of the above agencies cannot be less than "A+/A1."
- Risk Based Capital Ratio must be 250% or greater.

For Non General Obligation Investments

- An "A" (Excellent) or higher rating from A.M. Best Company.
- Invested assets of at least \$2.0 billion and adjusted policyholder surplus of \$200 million.
- At least two claims paying ability type ratings from the major rating services Fitch, Moody's and Standard & Poor's. In addition, one of the two ratings must be from Moody's.
- An average Claims-Paying Ability Rating of at least "A/A2" from Standard & Poor's, Fitch or Moody's.
- Claims-Paying Ability rating from any of the above agencies cannot be less than "A-/A3."
- Risk Based Capital Ratio must be 250% or greater.

BANKS

At the time of purchase, Banks utilized as wrap providers by the Fund will meet the following criteria:

- An average Long-Term Counterparty/Issuer Rating of at least "A/A2" from Standard & Poor's and Moody's.
- Any Long-Term Counterparty/Issuer rating cannot be less than "A-/A3".
- Assets of at least \$10 billion.

APPROVED INVESTMENTS

In general, the assets may be various high quality fixed income investments that, in the aggregate, will provide stable account values.

A. INVESTMENT CONTRACTS

Investment contracts selected for the Fund are those that are acceptable to the Investment Manager considering creditworthiness, contract features, and administrative capabilities at the time of purchase. Investment contracts contain provisions requiring the issuing institution to provide plan-permitted liquidity from the Fund as needed to satisfy participant-initiated withdrawal requests without reflecting changes in capital value in the amounts withdrawn; provided that the withdrawals are made in accordance with the terms of the investment contracts.

(1) Traditional Investment Contracts (including GICs)

Approved traditional investment contracts, including guaranteed investment contracts (GICs), may be purchased from insurance companies, banks or other institutions. A traditional investment contract is a direct obligation backed by the creditworthiness of the issuing entity.

(2) Separate Account Contracts

Approved separate account contracts may be purchased from insurance companies. The investment performance of these contracts is typically related to a portfolio of investments held inside the separate account. The assets are held in a separate account are owned by the contract issuer and are protected from other creditors

of the issuer. The acceptable assets held in separate account contracts are described in Section B Acceptable Assets below.

(3) Security Backed Investment Contracts (Synthetic GICs)

Approved security backed investment contracts (synthetic GICs, or “wrap” contracts) may be purchased from insurance companies, banks, or other financial institutions. The investment performance of one of these contracts is typically related to a portfolio of investments owned by the Fund covered by the contract. The acceptable assets held inside security investment contracts are described in Section B Acceptable Assets below.

B. ACCEPTABLE ASSETS

Acceptable assets include ERISA-eligible, U.S. dollar denominated, publicly or privately issued fixed-, floating- or variable-rate obligations of the following entities or types:

- U.S. Treasury
- U.S. agency or government-sponsored entity
- Mortgage pass-through securities (MBS), including To-Be-Announced (TBA) mortgage rolls
- Structured securities issued by various kinds of trusts, such as:
 - commercial mortgage-backed securities (CMBS)
 - collateralized mortgage obligations (CMO)
 - asset backed securities (ABS)
- U.S. or non-U.S. corporations
- Municipalities
- Trusts, including but not limited to, trust preferred securities, asset-backed securities, REMICs and units in a group trust, private placement funds or in any similar pooled or collective investment fund.
- Shares of a regulated investment company
- Foreign government entities
- Mortgage-backed collateral
- Fixed income derivatives, such as futures, forwards, options or swap agreements (including, without limitation, interest rate swaps, total return swaps and credit default swaps)
- Short-term investments (maturing, or invested in instruments maturing, in less than 12 months), including:
 - (1) U.S. Treasury and U.S. agency-issued securities
 - (2) Certificates of deposit and bankers’ acceptances of U.S. banks
 - (3) Commercial paper

- (4) Bank or other financial institution short-term investment accounts, including such accounts maintained by the Plan's trustee bank
- Repurchase agreements, provided that they are no longer than 90 days and have collateral that is marked to market daily.
 - Other securities not listed above that are or become represented in the indices applicable to pooled or commingled investment funds and insurance company separate accounts utilized in the Fund as permitted in this Section B, provided that other constraints in these guidelines are not violated.

C. CREDIT QUALITY AND DIVERSIFICATION

- Traditional Investment Contract issuers must, at the time of purchase, be rated at least Aa3/AA- by Moody's, S&P, or other Nationally Recognized Statistical Rating Organization (NRSRO) and approved by the Investment Manager. The maximum percentage of the Fund invested with a Traditional Investment Contract issuer shall not exceed 10% of the Fund at the time of purchase. The maximum percentage of the Fund invested in Traditional Investment Contracts shall not exceed 25% of the Fund at the time of purchase.
- Separate Account Contract issuers must be approved by the Investment Manager at the time of purchase. The maximum percentage of the Fund invested with a specific Separate Account Contract issuer shall not exceed 25% of the Fund at the time of purchase.
- Security Backed Investment Contract issuers ("wrap" issuers) must be approved by the Investment Manager at the time of purchase. The maximum percentage of the Fund invested with a specific Security Backed Investment Contract issuer shall not exceed 25% of the Fund at the time of purchase.
- Acceptable Assets as described in Section B above must be rated at least investment grade or equivalent by Moody's, S&P, or other NRSRO at the time of purchase. In the case of units in a group trust, private placement fund or in any similar pooled or commingled fund and insurance company separate account included in the Fund or shares of a regulated investment company as provided in Section B above, the dollar-weighted average credit quality of such fund's investments must be at least Aa3/AA by Moody's, S&P or other NRSRO. Short term investments as provided in Section B above must be rated at least A-1/P-1 at time of purchase. In the case of a split rated security, the higher rating applies.

- The Fund will maintain diversification across the various sectors of the fixed income market subject to the following maximum allocation constraints:

Sector	Maximum Allocation
Cash	100%
Treasuries	95%
Agencies	25%
Corporates	40%
Mortgage Backed Securities	55%
Commercial Mortgage Backed Securities	20%
Asset Backed Securities	30%
Municipals	10%
Dollar Denominated Sovereign Debt	20%

- The Fund's investment with any specific investment manager may not exceed 25% of the Fund's assets. The dollar allocation to any specific manager may not exceed \$650 million.
- The minimum average credit quality of the Fund's investments must be Aa2/AA by Moody's, S&P, or other NRSRO.

D. DURATION

The Fund shall normally be managed with a weighted average duration of not less than two nor more than four years. Short-term investments must be included in the calculation of the Fund's duration. While a range of two to four years is indicated, the Fund will be managed opportunistically, consistent with the investment objectives set forth above.

The Investment Manager is permitted to manage the Fund with a duration as short as zero if it judges that such action is prudent to protect principal in the Fund.

E. OTHER CONSTRAINTS

The Investment Manager may use derivatives to replicate cash investments, manage yield curve or other risk positions, and to pursue investment strategies generally allowed under these guidelines. In no instance can derivatives be used in a manner inconsistent with the other constraints herein. That is, the use of derivatives must abide by the duration, credit quality, and all other constraints under these guidelines. At no time are derivatives to be used to leverage the Fund's investment.

F. LIQUIDITY MANAGEMENT

In addition to holding short-term investments or other fixed income vehicles allowing ready access to cash for the Fund's liquidity needs, the Investment Manager may utilize other liquidity tools such as lines of credit and other appropriate borrowing arrangements on behalf of the Fund. These vehicles may be used as short-term measures to provide cash as needed for honoring Plan participant withdrawal and transfer requests.

REVIEW PROCEDURES – TOTAL FUND

Review performance no less frequently than annually based on the standards of measurement defined below:

- **Diversification:** The Fund's diversification objective is to limit the amount invested with any financial institution to no more than 25% of the Fund's balance. In addition, the Fund's allocation of assets to any issuer of general obligation contracts shall not exceed 10% of the Fund's assets and may not represent more than 1% of an issuing institution's admitted assets.
- **Duration:** The dollar-weighted duration of the Fund is to be maintained between two and four years.
- **Credit Quality:** The Fund will maintain a weighted average quality rating of "AA" ("Aa2") or better. This rating will reflect the average Claims-Paying Ability Ratings for insurance companies and the average rating for underlying assets in synthetic contracts.
- **Performance:** Over rolling three-year periods, the total return of the Fund on a net of fee basis will be evaluated against the following minimum standards.
 - (1) The Consumer Price Index (CPI) plus 2%
 - (2) The return on 3 month United States Treasury Bills plus 1.5%
 - (3) The return on 5 year United States Treasury Constant Maturity Series

The expected performance pattern will be a lag in rate responsiveness. That is, during periods of rising rates, the Fund's yield will normally increase more slowly than market rates, and during periods of falling rates the yield will decline more slowly than market rates. Over the course of a full interest rate cycle (3 to 5 years), the rate of return should equal or exceed the average

rate for comparable maturity securities. These comparisons will be used to determine whether the current strategy for the Fund is achieving the stated objectives. In addition, the rates of return achieved by the Fund, on an absolute basis, will be monitored to determine if it remains a viable investment option for the Plan relative to other investment alternatives.

**COUNTY OF LOS ANGELES
SAVINGS PLAN
STABLE VALUE INVESTMENT POLICY STATEMENT
Adopted: October 2015**

PURPOSE

The purpose of the Stable Value Fund (Fund) is to provide participants of the County of Los Angeles Savings Plan (the Plan) the opportunity to accumulate capital through a fixed income investment vehicle in a tax-advantaged environment by emphasizing current income.

OBJECTIVES

The primary objective of the Fund is to provide for the preservation of capital regardless of interest rate fluctuations.

The secondary objective of the Fund is to generate current income with limited or no volatility in the book value of fund assets, . The generation of current income over time will be comparable to the income produced by intermediate term U.S. Treasury notes of like maturity. To achieve these objectives, the Fund must meet the following participant expectations:

- safety of principal;
- high real rate of return consistent with safety of principal;
- book value liquidity in accordance with Plan provisions; and
- responsiveness to changing interest rate environments.

The Fund will provide all participants with one blended rate of interest. The Fund's blended interest rate will reflect the dollar-weighted average of the interest rates applicable to each investment held by the Fund, and will be credited to all participants in the Fund, regardless of the timing of contributions or other cash flows. All contracts will permit benefit payments and in-service withdrawals which are authorized by the Plan including participant directed investment transfers to non-competing (non-fixed income) options. (Specific investment transfer provisions will be dependent upon and subject to any restructuring of the Plan's investment options.)

INVESTMENT STRATEGY

The target asset allocation of the Fund reflecting allocations to broad market benchmarks is as follows:

- 5% Barclay's Capital U.S. Treasury Bellweather 3-Month Index
- 40% Barclay's Capital Custom Short-Term Index
- 35% Barclay's Capital Intermediate Government Credit Index
- 20% Barclay's Capital U.S. Aggregate Bond Index

These are target allocations that may vary over time given market conditions and Fund cash flows.

INSURANCE COMPANY MINIMUM CREDIT QUALITY CRITERIA

For General Obligation Products

At the time of purchase, insurance companies selected by the Fund will meet the following criteria:

- An "A" (Excellent) or higher rating from A.M. Best Company.
- Invested assets of at least \$2.0 billion and adjusted policyholder surplus of \$200 million.
- An average Claims-Paying Ability Rating of at least "AA-/Aa3" from Standard & Poor's, Fitch or Moody's.
- Claims-Paying Ability rating from any of the above agencies cannot be less than "A+" ("A1").
- Risk Based Capital Ratio must be 250% or greater.
- At least two claims paying ability type ratings from the major rating services Fitch, Moody's and Standard & Poor's. In addition, one of the two ratings must be from Moody's.

For Non General Obligation Products

At the time of purchase, insurance companies selected by the Fund will meet the following criteria:

- An "A" (Excellent) or higher rating from A.M. Best Company.
- Invested assets of at least \$2.0 billion and adjusted policyholder surplus of \$200 million.
- An average Claims-Paying Ability Rating of at least "A/A2" from Standard & Poor's, Fitch or Moody's.

- Claims-Paying Ability rating from any of the above agencies cannot be less than "A-/A3".
- Risk Based Capital Ratio must be 250% or greater.
- At least two claims paying ability type ratings from the major rating services Fitch, Moody's and Standard & Poor's. In addition, one of the two ratings must be from Moody's.

BANKS

At the time of purchase, Banks utilized as wrap providers by the Fund will meet the following criteria:

- An average Long-Term Counterparty/Issuer Rating of at least "A/A2" from Standard & Poor's or Moody's.
- Any Long-Term Counterparty/Issuer rating cannot be less than "A-/A3".
- Assets of at least \$10 billion.

APPROVED INVESTMENTS

In general, the assets may be various high quality fixed income investments that, in the aggregate, will provide stable account values.

A. INVESTMENT CONTRACTS

Investment contracts selected for the Fund are those that are acceptable to the Investment Manager considering creditworthiness, contract features, and administrative capabilities at the time of purchase. Investment contracts contain provisions requiring the issuing institution to provide plan-permitted liquidity from the Fund as needed to satisfy participant-initiated withdrawal requests without reflecting changes in capital value in the amounts withdrawn; provided that the withdrawals are made in accordance with the terms of the contracts.

(1) Traditional Investment Contracts (including GICs)

Approved traditional investment contracts, including guaranteed investment contracts (GICs), may be purchased from insurance companies, banks or other institutions. A traditional investment contract is a direct obligation backed by the creditworthiness of the issuing entity.

(2) Separate Account Contracts

Approved separate account contracts may be purchased from insurance companies. The investment performance of these contracts is typically related to a portfolio of investments held inside the separate account. The assets are owned by the contract issuer, are held in a separate account of the issuer and are protected from other creditors of the issuer. The acceptable assets held in separate account contracts are described in Section B Acceptable Assets.

(3) Security Backed Investment Contracts (Synthetic GICs)

Approved security backed investment contracts (synthetic GICs, or "wrap" contracts) may be purchased from insurance companies, banks, or other financial institutions. The investment performance of these contracts is typically related to a portfolio of investments owned by the Plan covered by the contract. The acceptable assets held inside security investment contracts are described in Section B Acceptable Assets.

B. ACCEPTABLE ASSETS

Acceptable assets include ERISA-eligible, U.S. dollar denominated, publicly or privately issued fixed-, floating- or variable-rate obligations of the following entities or types:

- U.S. Treasury
- U.S. agency or government-sponsored entity
- Mortgage pass-through securities (MBS), including To-Be-Announced
- (TBA) mortgage rolls
- Structured securities issued by various kinds of trusts, such as:
 - commercial mortgage-backed securities (CMBS)
 - collateralized mortgage obligations (CMO)
 - asset backed securities (ABS)
- U.S. or non-U.S. corporations
- Municipalities
- Trusts, including but not limited to, trust preferred securities, asset-backed securities, REMICs and units in a group trust, private placement fund or in any similar pooled or collective investment fund.
- Shares of a regulated investment company
- Foreign government entities

- Mortgage-backed collateral
- Fixed income derivatives, such as futures, forwards, options or swap agreements (including, without limitation, interest rate swaps, total return swaps and credit default swaps)
- Short-term investments (maturing, or invested in instruments maturing, in less than 12 months), including:
 - (1) U.S. Treasury and U.S. agency-issued securities
 - (2) Certificates of deposit and bankers' acceptances of U.S. banks
 - (3) Commercial paper
 - (4) Bank or other financial institution short-term investment accounts, (5) including such accounts maintained by the Plan's trustee bank
- Repurchase agreements, provided that they are no longer than 90 days and have collateral that is marked to market daily.
- Other securities not listed above that are or become represented in the indices applicable to pooled or commingled investment funds and insurance company separate account utilized in the Account as permitted in this Section B, provided that other constraints in these guidelines are not violated.

C. CREDIT QUALITY AND DIVERSIFICATION

- Traditional Investment Contract issuers must, at the time of purchase, be rated at least Aa3/AA- by Moody's, S&P, or other Nationally Recognized Statistical Rating Organization (NRSRO) and approved by the Investment Manager. The maximum percentage of the Account invested with a Traditional Investment Contract issuer shall not exceed 10% of the Fund at the time of purchase. The maximum percentage of the Fund invested in Traditional Investment Contracts shall not exceed 25% of the Fund at the time of purchase.
- Separate Account Contract issuers must be approved by the Investment Manager at the time of purchase. The maximum percentage of the Fund invested with an individual Separate Account Contract issuer shall not exceed 25% of the Fund at the time of purchase.
- Security Backed Investment Contract issuers ("wrap" issuers) must be approved by the Investment Manager at the time of purchase. The maximum percentage of the Fund invested with an individual Security Backed Investment Contract issuer shall not exceed 25% at the time of purchase.

- Acceptable Assets as described in Section B above must be rated at least investment grade or equivalent by Moody's, S&P, or other NRSRO at the time of purchase. In the case of units in an INVESCO Group Trust or in any similar pooled or commingled fund and insurance company separate account included in the Fund or shares of a regulated investment company as provided in Approved Investments, Section B above, the dollar-weighted average credit quality of such fund's investments must be at least Aa3/AA- by Moody's, S&P or other NRSRO. Short term investments as provided in Approved Investments B above must be rated at least A-1/P-1 at time of purchase. In the case of a split rated security, the higher rating applies.
- The Fund will maintain diversification across the various sectors of the fixed income market subject to the following maximum allocation constraints.

Sector	Maximum Allocation
Cash	100%
Treasuries	95%
Agencies	25%
Corporates	40%
Mortgage Backed Securities	55%
Commercial Mortgage Backed Securities	20%
Asset Backed Securities	30%
Municipals	10%
Dollar Denominated Sovereign Debt	20%

- The Fund's investment with any specific investment manager may not exceed 25% of the Fund's assets. The dollar allocation to any specific manager may not exceed \$650 million.

D. DURATION

The Fund shall normally be managed with a weighted average duration of not less than two nor more than four years. Short-term investments must be included in the calculation of the Fund's duration. While a range of two to four years is indicated, the Fund will be managed opportunistically, consistent with the investment objectives set forth above.

The Investment Manager is permitted to manage the Fund with a duration as short as zero if it judges that such action is prudent to protect principal in the Fund.

E. OTHER CONSTRAINTS

The Investment Manager may use derivatives to replicate cash investments, manage yield curve or other risk positions, and to pursue investment strategies generally allowed under these guidelines. In no instance can derivatives be used in a manner inconsistent with the other constraints herein. That is, the use of derivatives must abide by the duration, credit quality, and all other constraints under these guidelines. At no time are derivatives to be used to leverage the Fund's investment.

F. LIQUIDITY MANAGEMENT

In addition to holding short-term investments or other fixed income vehicles allowing ready access to cash for the Fund's liquidity needs, the Investment Manager may utilize other liquidity tools such as lines of credit and other appropriate borrowing arrangements on behalf of the Fund. These vehicles may be used as short-term measures to provide cash as needed for honoring Plan participant withdrawal and transfer requests.

REVIEW PROCEDURES – TOTAL FUND

Review performance no less frequently than annually based on the standards of measurement defined below:

- **Diversification:** The Fund's diversification objective is to limit the amount invested with any financial institution to no more than 25% of the Fund's balance. In addition, the Fund's allocation of assets to any issuer of general obligation contracts shall not exceed 10% of the Fund's assets and may not represent more than 1% of an issuing institution's admitted assets.
- **Duration:** The dollar-weighted duration of the Fund is to be maintained between two and four years.
- **Credit Quality:** The Fund will maintain a weighted average quality rating of "AA" ("Aa2") or better. This rating will reflect the average Claims-Paying Ability Ratings for insurance companies and the average rating for underlying assets in synthetic contracts and separate account contracts.
- **Performance:** Over rolling three-year periods, the net total return of the Fund will be evaluated against the following minimum standards.

- (1) The Consumer Price Index (CPI) plus 2%
- (2) The return on 3-month United States Treasury Bills plus 1.5%
- (3) The return on 5-year United States Treasury Constant Maturity Series

The expected performance pattern will be a lag in rate responsiveness. That is, during periods of rising rates, the Fund's yield will normally increase more slowly than market rates, and during periods of falling rates the yield will decline more slowly than market rates. Over the course of a full interest rate cycle, the rate of return should equal or exceed the average rate for comparable maturity securities. These comparisons will be used to determine whether the current strategy for the Fund is achieving the stated objectives. In addition, the rates of return achieved by the Fund, on an absolute basis, will be monitored to determine if it remains a viable investment option for the Plans relative to other investment alternatives.

**COUNTY OF LOS ANGELES
PENSION SAVINGS PLAN
STABLE ASSET INVESTMENT POLICY STATEMENT**

Adopted: October 2015

PURPOSE

The purpose of the Stable Asset Fund (the Fund) is to provide participants of the Los Angeles County Pension Savings Plan (the Plan) the opportunity to accumulate capital through a fixed income investment vehicle in a tax-advantaged environment by emphasizing current income.

OBJECTIVES

The primary objective of the Fund is to provide for the preservation of capital regardless of interest rate fluctuations.

The secondary objective of the Fund is to generate current income with limited or no volatility in the book value of fund assets. The generation of a current income over time will be comparable to the income produced by intermediate term U.S. Treasury notes of like maturity. To achieve these objectives, the Fund must meet the following participant expectations:

- safety of principal;
- high real rate of return consistent with safety of principal;
- book value liquidity in accordance with Plan provisions; and
- responsiveness to changing interest rate environments.

The Fund will provide all participants with one blended rate of interest. The Fund's blended interest rate will reflect the dollar-weighted average of the interest rates applicable to each investment held by the Fund, and will be credited to all participants in the Fund, regardless of the timing of contributions or other cash flows. All contracts will permit benefit payments and in-service withdrawals which are authorized by the Plan.

INVESTMENT STRATEGY

The target asset allocation of the Fund reflecting allocations to broad market benchmarks is as follows:

- 5% Barclay's Capital U.S. Treasury Bellweather 3-Month Index
- 45% Barclay's Capital Custom Short-Term Index
- 30% Barclay's Capital Intermediate Government Credit Index
- 20% Barclay's Capital U.S. Aggregate Bond Index

These are target allocations that may vary over time given market conditions and Fund cash flows.

INSURANCE COMPANY MINIMUM CREDIT QUALITY CRITERIA

For General Obligation Products

At the time of purchase, insurance companies selected by the Fund will meet the following criteria:

- An "A" (Excellent) or higher rating from A.M. Best Company.
- Invested assets of at least \$2.0 billion and adjusted policyholder surplus of \$200 million.
- An average Claims-Paying Ability Rating of at least "AA-/Aa3" from Standard & Poor's, Fitch or Moody's.
- Claims-Paying Ability rating from any of the above agencies cannot be less than "A+" ("A1").
- Risk Based Capital Ratio must be 250% or greater.
- At least two claims paying ability type ratings from the major rating services Fitch, Moody's and Standard & Poor's. In addition, one of the two ratings must be from Moody's.

For Non General Obligation Products

At the time of purchase, insurance companies selected by the Fund will meet the following criteria:

- An "A" (Excellent) or higher rating from A.M. Best Company.
- Invested assets of at least \$2.0 billion and adjusted policyholder surplus of \$200 million.
- An average Claims-Paying Ability Rating of at least "A/A2" from Standard & Poor's, Fitch or Moody's.
- Claims-Paying Ability rating from any of the above agencies cannot be less than "A-/A3".
- Risk Based Capital Ratio must be 250% or greater.

- At least two claims paying ability type ratings from the major rating services Fitch, Moody's and Standard & Poor's. In addition, one of the two ratings must be from Moody's.

BANKS

At the time of purchase, Banks utilized by the Fund to provide wrap contracts will meet the following criteria:

- An average Long-Term Counterparty/Issuer Rating of at least "A/A2" from Standard & Poor's and Moody's.
- Any Long-Term Counterparty/Issuer rating cannot be less than "A-/A3".
- Assets of at least \$10 billion.

APPROVED INVESTMENTS

In general, the assets may be various high quality fixed income investments that, in the aggregate, will provide stable account values.

G. INVESTMENT CONTRACTS

Investment contracts selected for the Fund are those that are acceptable to the Investment Manager considering creditworthiness, contract features, and administrative capabilities at the time of purchase. Investment contracts contain provisions requiring the issuing institution to provide plan-permitted liquidity from the Fund as needed to satisfy participant-initiated withdrawal requests without reflecting changes in capital value in the amounts withdrawn; provided that the withdrawals are made in accordance with the terms of the contracts.

(4) Traditional Investment Contracts (including GICs)

Approved traditional investment contracts, including guaranteed investment contracts (GICs), may be purchased from insurance companies, banks or other institutions. A traditional investment contract is a direct obligation backed by the creditworthiness of the issuing entity.

(5) Separate Account Contracts

Approved separate account contracts may be purchased from insurance companies. The investment performance of these contracts is typically related to a portfolio of investments held inside the separate account. The assets are owned by the contract issuer, are held in a separate account of the issuer and are protected from other creditors of the issuer. The acceptable assets held in separate account contracts are described in Section B Acceptable Assets.

(6) Security Backed Investment Contracts (Synthetic GICs)

Approved security backed investment contracts (synthetic GICs, or "wrap" contracts) may be purchased from insurance companies, banks, or other financial institutions. The investment performance of these contracts is typically related to a portfolio of investments owned by the Plan covered by the contract. The acceptable assets held inside security investment contracts are described in Section B Acceptable Assets.

H. ACCEPTABLE ASSETS

Acceptable assets include ERISA-eligible, U.S. dollar denominated, publicly or privately issued fixed-, floating- or variable-rate obligations of the following entities or types:

- U.S. Treasury
- U.S. agency or government-sponsored entity
- Mortgage pass-through securities (MBS), including To-Be-Announced
- (TBA) mortgage rolls
- Structured securities issued by various kinds of trusts, such as:
 - commercial mortgage-backed securities (CMBS)
 - collateralized mortgage obligations (CMO)
 - asset backed securities (ABS)
- U.S. or non-U.S. corporations
- Municipalities
- Trusts, including but not limited to, trust preferred securities, asset-backed securities, REMICs and units in a group trust, private placement fund or in any similar pooled or collective investment fund.
- Shares of a regulated investment company
- Foreign government entities
- Mortgage-backed collateral
- Fixed income derivatives, such as futures, forwards, options or swap agreements (including, without limitation, interest rate swaps, total

- return swaps and credit default swaps)
- Short-term investments (maturing, or invested in instruments maturing, in less than 12 months), including:
 - (1) U.S. Treasury and U.S. agency-issued securities
 - (2) Certificates of deposit and bankers' acceptances of U.S. banks
 - (3) Commercial paper
 - (4) Bank or other financial institution short-term investment accounts, (5) including such accounts maintained by the Plan's trustee bank
- Repurchase agreements, provided that they are no longer than 90 days and have collateral that is marked to market daily.
- Other securities not listed above that are or become represented in the indices applicable to pooled or commingled investment funds utilized in the Account as permitted in this Section B, provided that other constraints in these guidelines are not violated.

I. CREDIT QUALITY AND DIVERSIFICATION

- Traditional Investment Contract issuers must, at the time of purchase, be rated at least Aa3/AA- by Moody's, S&P, or other Nationally Recognized Statistical Rating Organization (NRSRO) and approved by the Investment Manager. The maximum percentage of the Account invested with a Traditional Investment Contract issuer shall not exceed 10% of the Fund at the time of purchase. The maximum percentage of the Fund invested in Traditional Investment Contracts shall not exceed 25% of the Fund at the time of purchase.
- Separate Account Contract issuers must be approved by the Investment Manager at the time of purchase. The maximum percentage of the Fund invested with an individual Separate Account Contract issuer shall not exceed 25% of the Fund at the time of purchase.
- Security Backed Investment Contract issuers ("wrap" issuers) must be approved by the Investment Manager at the time of purchase. The maximum percentage of the Fund invested with an individual Security Backed Investment Contract issuer shall not exceed 25% at the time of purchase.

- Acceptable Assets as described in Section B above must be rated at least investment grade or equivalent by Moody's, S&P, or other NRSRO at the time of purchase. In the case of units in a Group Trust or in any similar pooled or commingled fund and insurance company separate account included in the Fund or shares of a regulated investment company as provided in Approved Investments, Section B above, the dollar-weighted average credit quality of such fund's investments must be at least Aa3/AA- by Moody's, S&P or other NRSRO. Short term investments as provided in Approved Investments B above must be rated at least A-1/P-1 at time of purchase. In the case of a split rated security, the higher rating applies.
- The Fund will maintain diversification across the various sectors of the fixed income market subject to the following maximum allocation constraints.

Sector	Maximum Allocation
Cash	100%
Treasuries	95%
Agencies	25%
Corporates	40%
Mortgage Backed Securities	55%
Commercial Mortgage Backed Securities	20%
Asset Backed Securities	30%
Municipals	10%
Dollar Denominated Sovereign Debt	20%

- The Fund's investment with any specific investment manager may not exceed 40% of the Fund's assets.

J. DURATION

The Fund shall normally be managed with a weighted average duration of not less than two nor more than four years. Short-term investments must be included in the calculation of the Fund's duration. While a range of two to four years is indicated, the Fund will be managed opportunistically, consistent with the investment objectives set forth above.

The Investment Manager is permitted to manage the Fund with a duration as short as zero if it judges that such action is prudent to protect principal in the Fund.

K. OTHER CONSTRAINTS

The Investment Manager may use derivatives to replicate cash investments, manage yield curve or other risk positions, and to pursue investment strategies generally allowed under these guidelines. In no instance can derivatives be used in a manner inconsistent with the other constraints herein. That is, the use of derivatives must abide by the duration, credit quality, and all other constraints under these guidelines. At no time are derivatives to be used to leverage the Fund's investment.

L. LIQUIDITY MANAGEMENT

In addition to holding short-term investments or other fixed income vehicles allowing ready access to cash for the Fund's liquidity needs, the Investment Manager may utilize other liquidity tools such as lines of credit and other appropriate borrowing arrangements on behalf of the Fund. These vehicles may be used as short-term measures to provide cash as needed for honoring Plan participant withdrawal and transfer requests.

REVIEW PROCEDURES – TOTAL FUND

Review performance no less frequently than annually based on the standards of measurement defined below:

- **Diversification:** The amount invested with any contract issuer may not exceed 25% of the Fund's balance. The Fund's investment with any specific investment manager may not exceed 40% of Fund's assets. In addition, the Fund's allocation of assets to any issuer of general obligation contracts shall not exceed 10% of the Fund's assets. This diversification guideline will apply to aggregate investment contract holdings. General obligation investments made for the Fund will not total more than 1% of an institution's admitted assets.
- **Duration:** The dollar-weighted average targeted maturity of the Fund shall be between two and four years.
- **Credit Quality:** The Fund will maintain a weighted average quality rating of "AA" ("Aa2") or better. This rating will reflect the average Claims-Paying Ability Ratings for insurance companies and the average rating for underlying assets in synthetic contracts and separate account contracts.
- **Performance:** Over rolling three-year periods, the net total return of the Fund will be evaluated against the following minimum standards.

- (1) The Consumer Price Index (CPI) plus 2%
- (2) The return on 3-month United States Treasury Bills plus 1.5%
- (3) The return on 5-year United States Treasury Constant Maturity Series

The expected performance pattern will be a lag in rate responsiveness. That is, during periods of rising rates, the Fund's yield will normally increase more slowly than market rates, and during periods of falling rates the yield will decline more slowly than market rates. Over the course of a full interest rate cycle, the rate of return should equal or exceed the average rate for comparable maturity securities. These comparisons will be used to determine whether the current strategy for the Fund is achieving the stated objectives. In addition, the rates of return achieved by the Fund, on an absolute basis, will be monitored to determine if it remains a viable investment option for the Plan relative to other investment alternatives.

APPENDIX C
SAMPLE CONTRACT



CONTRACT

BY AND BETWEEN

**COUNTY OF LOS ANGELES
DEFERRED COMPENSATION AND THRIFT PLAN
ADMINISTRATIVE COMMITTEE**

**[SAVINGS AND PENSION SAVINGS PLAN
CONTRACTS TO BE SUBSTANTIALLY SIMILAR]**

AND

(CONTRACTOR)

FOR

STABLE FUND CONSULTING SERVICES

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- K STABLE INCOME INVESTMENT POLICY STATEMENT
- L STABLE INCOME FUND DISCRETIONARY AND INVESTMENT MANAGERS (NOT ATTACHED TO SAMPLE)

Sample Contract

**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
DEFERRED COMPENSATION AND THRIFT PLAN
ADMINISTRATIVE COMMITTEE
AND
STABLE FUND CONSULTING SERVICES PROVIDER
FOR STABLE FUND CONSULTING SERVICES
CONTRACT NO: 457DEC16**

This Contract and Exhibits made and entered into this ____ day of _____, 2016 by and between the County of Los Angeles (County) Plan Administrative Committee, hereinafter referred to as (“PAC”) and Contractor as Stable Fund Consulting Provider, hereinafter referred to as (“Contractor”).

RECITALS

WHEREAS, the County has adopted the County Deferred Compensation and Thrift Plan (“Plan”) pursuant to Section 457 of the Internal Revenue Code of the United States (“Code”), under which the County and the PAC governed by the County’s Board of Supervisors are authorized to provide deferred compensation to their eligible employees;

WHEREAS, under Section 5.25.090 of the County Code, the PAC has authority to contract with one or more private firms for services related to the Plans, consistent with Article IX Civil Service Section 44.7 of the County Charter, and Chapter 7, Conflict of Interest, of Title 9 of the California Government Code (Section 87100, et. seq.) and, in accordance with Government Code Sections 23005 and 31000, may enter into contracts for specialized services;

WHEREAS, the PAC has determined that it is in the best interests of the Plan, its members, and participants to contract with Contractor to act as stable fund consultant and the Contractor desires to provide such services to the Plan;

WHEREAS, Contractor is a California entity duly constituted in accordance with all applicable laws to render stable fund consulting services, and is authorized to conduct the business of a stable fund consulting services in the State of California; and

WHEREAS, the PAC and Contractor desire to establish a stable fund consulting relationship for the Stable Income Fund assets beneficially owned by the Plan.

NOW THEREFORE, in consideration of the above stated recitals, the mutual covenants, representations and undertakings contained herein, and for good and valuable consideration, the Plan and Contractor agree to the following:

1.0 APPLICABLE DOCUMENTS

Exhibits A, B, C, D, E, F, G, H, I, J, K and L are attached to and form a part of this Contract. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to the terms and conditions of the Contract and then to the Exhibits according to the following priority.

Exhibits:

- 1.1 EXHIBIT A - Statement of Work
- 1.2 EXHIBIT B - Pricing Schedule
- 1.3 EXHIBIT C - Certification of No Conflict of Interest
- 1.4 EXHIBIT D - Contractor's EEO Certification
- 1.5 EXHIBIT E - PAC's Administration
- 1.6 EXHIBIT F - Contractor's Administration
- 1.7 EXHIBIT G - Forms Required at the Time of Contract Execution
- 1.8 EXHIBIT H - Jury Service Ordinance
- 1.9 EXHIBIT I - Safely Surrendered Baby Law
- 1.10 EXHIBIT J - Information Security and Privacy Requirements
- 1.11 EXHIBIT K - Stable Income Investment Policy Statement

1.12 EXHIBIT L - Stable Income Fund Discretionary and Investment Managers

This Contract constitutes the complete and exclusive statement of understanding between the parties, and supersedes all previous contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to subparagraph 8.1 - Change Notices and Amendments and signed by both parties.

2.0 DEFINITIONS

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

- 2.1 **Account:** means the trust holding the assets of the Plan pursuant to the trust agreement with the Trustee.
- 2.2 **Affiliate:** means the Contractor and an affiliate of Contractor having the same parent corporation as Contractor.
- 2.3 **Agent(s):** means any agents, representatives or Sub-Contractors acting on behalf of Contractor pursuant to this Contract but, for avoidance of doubt, shall not include any clearing facility, centralized custodial depository book-entry system or similar organization.
- 2.4 **Authorized Person:** means any employee or agent of PAC, which PAC may designate to manage assets held in or for the account, who are authorized to issue Authorized Instructions.
- 2.5 **Authorized Instructions:** means all directions and instructions to Contractor from any Authorized Person which shall be in writing and transmitted by first class mail, facsimile, or other electronic transmission.
- 2.6 **Cash Manager:** means the entity that manages the cash component of the Stable Income Fund.
- 2.7 **Contractor Project Manager:** means the individual designated by the Contractor to administer the Contract operations after the Contract award.
- 2.8 **Contractor's Proposal:** means the document which Contractor prepared in response to PAC Request for Proposals to provide stable fund consulting services, which documents and describes the

services that Contractor offers to provide to Plan and the general terms under which Contractor will provide such services.

- 2.9 Certificate:** means the form of *Certification of the No Conflict of Interest*, attached hereto as Exhibit C, which Contractor will file with PAC at least annually.
- 2.10 Contract:** means this agreement (including the Exhibits hereto) executed between PAC and Contractor. It sets forth the terms and conditions for the issuance and performance of the *Statement of Work, Exhibit A*.
- 2.11 Custodian:** means the entity that maintains the custody of the Plan's assets.
- 2.12 Discretionary Manager:** means the entity that manages, invests, transitions, and oversees the Stable Income Fund investments in the Sub-advised Funds.
- 2.13 Effective Termination Date:** means date PAC terminates this Contract in its entirety without cause at any time by delivering to Contractor a written Notice of Termination for Convenience, which specifies the extent to which Contractor's performance of work is terminated and the date to cease work hereunder. The Effective Termination Date shall be the date on which the stable fund consulting services hereunder will formally cease, as specified in the Notice of Termination, after Notice of Termination is delivered to Contractor. In no event shall PAC's termination of this Contract be deemed a waiver of PAC's right to make a claim against Contractor for damages resulting from any default by Contractor or its Agents which occurred prior to the Effective Termination Date.
- 2.14 Excess Costs:** means any reasonable costs which Plan incurs for the provision of stable fund consulting services from another stable fund consulting contractor or similar service provider other than Contractor if and when PAC terminates this Contract for default.
- 2.15 Fed Funds Rate:** means the average Federal Funds rate as published daily in the Wall Street Journal, which rate shall be used to calculate any interest required to be paid under this Contract unless otherwise specified herein.
- 2.16 Investment Manager:** means any entity providing investment asset management advisory services to the Plan unless otherwise specified herein.

- 2.17 Notice of Suspension:** means a notice delivered by PAC to Contractor limiting or suspending Contractor's authority to enter into any agreement binding upon Plan.
- 2.18 Notice of Termination for Convenience:** means a notice delivered by one party to the other when the notifying party wishes to terminate this Contract for its convenience.
- 2.19 Notice of Termination for Default:** means a notice delivered by one party to the other when the notifying party wishes to terminate this Contract due to a default by the other party.
- 2.20 Plan Administrative Committee ("PAC"):** means Los Angeles County Deferred Compensation and Thrift Plan Administrative Committee.
- 2.21 PAC Project Director:** means person designated by PAC with authority for PAC on contractual or administrative matters relating to this Contract that cannot be resolved by the PAC Project Manager.
- 2.22 PAC Project Manager:** means person designated by PAC Project Director to manage the operations under this Contract.
- 2.23 Plan Records:** means all records related to the Plan, including but not limited to any pertinent transaction, activity, time sheets, cost, billing,
- 2.24 Plan Year:** means the twelve (12) month period beginning January 1st and ending December 31st.
- 2.25 Pricing Schedule:** means the document which sets forth the fees and expenses to be paid to Contractor hereunder, attached as Exhibit B.
- 2.26 Standard of Care:** means the standard governing the Contractor's performance as a fiduciary with respect to the Plan under this Contract, which standard requires Contractor to discharge each of its duties and exercise each of its powers under this Contract (i) for the exclusive benefit, and solely in the interest, of Plan participants and beneficiaries, (ii) with the competence, care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with stable fund consultant services would use in the conduct of a like enterprise with like aims, (iii) in accordance with the Uniform Prudent Investor Act, Probate Code §16045, et. Seq., and (iv) in accordance with the documents and instruments governing the Plan and corresponding trust.

- 2.27 Statement of Work (“SOW”):** means the document which describes the manner and form of the stable fund consulting, reporting and related services which Contractor will provide to Plan, attached as *Exhibit A*.
- 2.28 Sub-advised Fund:** means the underlying funds of the Stable Income Fund.
- 2.29 Sub-Contractor:** means an entity retained by Contractor as the entity which is obligated to perform stable fund consulting services for Plan.
- 2.30 Termination Invoice:** means the final invoice itemizing Contractor’s prorated fees and reasonable expenses incurred during the relevant billing period, which Contractor shall submit to PAC no later than three (3) months following the termination date of the Contract.
- 2.31 Transition Period:** means a period of up to twelve (12) months following the termination date of the Contract where Contractor continues to perform those services required hereunder in order to complete any transactions pending on the termination date of the Contract and to facilitate an orderly transition to a successor contractor.
- 2.32 Treasurer and Tax Collector (“TTC”):** means the Department Head of the County’s Treasurer and Tax Collector, or his or her designee.
- 2.33 Trustee:** means the entity that has been appointed by the County as a non-discretionary trustee of the Plan’s assets pursuant to the terms of the trust agreement with respect to the Plan.

3.0 APPOINTMENT OF CONTRACTOR

- 3.1** PAC hereby appoints the Contractor as its agent to provide stable fund consulting services for the Plan. The Contractor and its Agents hereby accept the appointment to provide stable fund consulting services and agree to serve as the stable fund consulting services provider for the Plan, subject to the terms and conditions described in this Contract.
- 3.2** With respect to stable fund consulting services, Contractor has no reporting disclosure responsibilities to benefit plan participants or governmental regulatory agencies.

- 3.3 Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in herein.
- 3.4 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County.

4.0 SERVICES DESCRIPTION

- 4.1 **Services:** Contractor agrees to provide the stable fund consulting services to Plan in the manner and form described in the body of this Contract and as described in the *Statement of Work*, attached hereto as *Exhibit A*.
- 4.2 **Gratuitous Efforts:** Should Contractor perform stable fund consulting services outside the scope of the Statement of Work, such services shall be deemed to be a gratuitous effort on the part of the Contractor. Contractor shall have no claim against PAC to any compensation for such work nor shall Contractor incur any liability regarding the provision of such services. Notwithstanding any other provision of this Contract and the Statement of Work, PAC acknowledges that Contractor shall have no duty or responsibility to provide such services nor shall Contractor incur any liability regarding the provision of such services outside the scope of the Statement of Work, unless mutually agreed to in writing.

5.0 CONTRACT SUM AND TERM

- 5.1 **Compensation:** The SOW described in *Exhibit A* provides for a level of effort by Contractor. In recognition of the varying work effort, the parties agree that all services shall be reimbursed in accordance with the fee or rates described in the *Pricing Schedule* attached hereto as *Exhibit B*. Compensation for these efforts as described in the *Pricing Schedule* in *Exhibit B* shall be full force and in effect for the entire term of this Contract.
- 5.2 **Incidental Expenses:** The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any out-of-pocket, incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein.
- 5.3 **Third Party Performance:** Except as otherwise permitted in Section 8.2 hereof, assumption or takeover of any of the

Contractor's duties, responsibilities, or obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with the PAC express prior written approval.

- 5.4 Errors and Omissions:** All services performed shall be thorough, complete and secured. Contractor understands that PAC examination of Contractor's work product is discretionary and the Contractor shall not assume PAC will discover errors and/or omissions. In any event, should any errors or omissions be discovered in any services, Contractor will make every effort to provide prompt resolution to the satisfaction of PAC. Should PAC determine that the extent and impact of the Contractor's errors and/or omissions to be substantive, costing the Plan significantly in financial and/or staff resources, the PAC may, in its sole discretion, reduce Contractor's billing to the actual cost of damages incurred by the Plan as determined by PAC.
- 5.5 Unanticipated Services:** In the event Contractor is required or requested to perform services which were not anticipated under this Contract, the period for providing written notice to the PAC to renegotiate compensation for such unanticipated services shall be sixty (60) days prior to the expiration of the then current contract term. Any renegotiated compensation shall be described in a written amendment to this Contract pursuant to the requirements of Section 8.3 below. If the parties are unable to agree to an amendment to the *Pricing Schedule*, PAC may terminate this Contract for convenience pursuant to Section 8.42 below. If such termination occurs, Contractor and its Agents shall continue to provide the services described hereunder for a period not to exceed twelve (12) months following the Effective Termination Date at the compensation described in the then current *Pricing Schedule* and subject to all of the terms and conditions of this Contract.
- 5.6 Transition Period Fee:** PAC and Contractor shall agree on a Transition Period fee payment upon expiration or termination of Contract. Other than the Transition Period fee payment, Contractor shall have no claim against PAC for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Contract. Should Contractor receive any such payment it shall immediately notify TTC and shall immediately repay all such funds to PAC. Payment by PAC for services rendered after expiration/termination of this Contract shall not constitute a waiver of PAC right to recover

such payment from Contractor. This provision shall survive the expiration or other termination of this Contract.

5.7 Record Keeping: The Contractor shall maintain a system of record keeping that will allow the Contractor to determine when it has incurred seventy-five percent (75%) of the total contract authorization under this Contract. Upon occurrence of this event, the Contractor shall send written notification to PAC at the address herein provided in *Exhibit E – PAC’s Administration*.

5.8 No Payment for Services Provided Following Expiration/Termination of Contract:

Other than any transition period fee payment as mutually agreed upon, Contractor shall have no claim against PAC or County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Contract. Should the Contractor receive any such payment it shall immediately notify PAC and shall immediately repay all such funds to Plan. Payment by Plan for services rendered after expiration/termination of this Contract shall not constitute a waiver of PAC’s right to recover such payment from the Contractor. This provision shall survive the expiration or other termination of this Contract.

5.9 Invoices, Payments and Related Issues:

5.9.1 Invoices: The Contractor shall submit to the PAC quarterly fee statement (invoice) within thirty (30) calendar days of the close of the services specified in *Exhibit A - Statement of Work* and elsewhere hereunder. The Contractor’s payments shall be as provided in *Exhibit B – Pricing Schedule*. If the PAC does not approve work in writing, no payment shall be due to the Contractor for that work. Invoices shall only cover work already performed; no compensation shall be paid to Contractor in advance of services rendered.

Address the Invoice to the PAC Project Manager and mail to the address provided in *Exhibit E*. The invoice, at minimum, shall include the Contractor’s name, payment address, invoice date, billing period, service component, specific services performed during the billing period, amount due and payee name. Contractor shall be responsible for the accuracy of all invoices submitted. Contractor shall be responsible to reconcile or otherwise correct inaccuracies or inconsistencies in invoices submitted. In the event of a

violation of the Political Contributions Restrictions that will affect the fees Contractor may collect under this Contract, the Contractor shall promptly notify the County in writing of any invoice that includes fees subject to such restrictions.

5.9.2 Payments: All invoices submitted by the Contractor for payment must have the written approval of the PAC Project Manager prior to any payment thereof. In no event shall the PAC be liable or responsible for any payment prior to such written approval. PAC will authorize payment within 30 days following receipt of any undisputed invoice.

5.9.3 Disputed Fees: PAC shall review each invoice and report any discrepancies or disputed fees to Contractor in writing or email within fifteen (15) working days from receipt of an invoice. Within thirty (30) calendar days after Contractor receives PAC notification of any discrepancies or disputed fees, Contractor shall provide PAC a written justification detailing the basis for such fees. If PAC does not hear from Contractor within the thirty (30) calendar day period, the discrepancies noted and charges approved by PAC shall be deemed accepted and agreed to by Contractor. PAC shall authorize payment of disputed fees promptly upon resolution of such dispute to the reasonable satisfaction of PAC and Contractor.

5.9.4 Overpayments of Invoices: Any overpayment received by Contractor shall be returned to PAC within 30 days of discovery by Contractor or notification by PAC Project Manager, whichever occurs first.

5.9.5 Mailing Address: Contractor shall mail invoices to PAC Project Manager as identified in *Exhibit E*.

5.10 Local Small Business Enterprises – Prompt Payment Program
(if applicable)

Certified Local SBEs will receive prompt payment for services they provide to County departments. Prompt payment is defined as 15 calendar days after receipt of an undisputed invoice.

5.11 Term of Contract: The term of this Contract shall commence on the date first set forth above for an initial period of three (3) years. Thereafter, it shall automatically renew for successive one-year terms for two (2) additional years, and month-to-month thereafter as needed until a new contract is signed, unless the Contract is terminated by PAC pursuant to, *inter alia*, the provisions of Sections

8.41 to 8.52. Each such extension option may be exercised at the sole discretion of the PAC. The County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.

5.12 Annual Renewals: For each one-year term renewal of this Contract, the *Pricing Schedule* attached hereto as *Exhibit B* shall remain the same as that which applies to the then current contract term for all services which Contractor has performed or is reasonably expected to render during such term unless, at least 180 days prior to the expiration of the second year, either party gives written notice to the other that the party giving notice desires to renegotiate such *Pricing Schedule*. If the parties are unable to agree to an amendment to the *Pricing Schedule*, PAC may terminate this Contract for convenience pursuant to Section 8.42. PAC decision is absolute and final. If such termination occurs, Contractor and its Agents shall continue to provide the services described hereunder for a period not to exceed twelve (12) months following the Effective Termination Date at the compensation described in the current *Pricing Schedule* and subject to all of the terms and conditions of this Contract.

5.12.1 The Contractor shall notify the PAC when this Contract is within six (6) months from the expiration of the term as provided hereinabove. Upon occurrence of this event, the Contractor shall send written notification to the PAC at the address herein provided in *Exhibit E - PAC's Administration*.

6.0 ADMINISTRATION OF CONTRACT - PAC

PAC'S ADMINISTRATION

A listing of all PAC's Administration referenced in the following subparagraphs are designated in *Exhibit E - PAC's Administration*. The PAC will notify the Contractor in writing of any change in the names or addresses shown.

PAC Personnel

The PAC shall assign a PAC Project Director and a PAC Project Manager to provide overall management and coordination of the Contract and act as liaisons for the PAC. The PAC shall inform the Contractor in writing of the name, address, and telephone number of the individuals designated to act as PAC Project Director and PAC Project Manager, or any alternate

identified in *Exhibit E, PAC's Administration*, of this Contract at the time the Contract is executed and notify the Contractor as changes occur.

6.1 PAC's Project Director

The role of the PAC's Project Director may include:

- 6.1.1 Coordinating with Contractor and ensuring Contractor's performance of the Contract; however, in no event shall Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby; and
- 6.1.2 Upon request of the Contractor, providing direction to the Contractor, as appropriate in areas relating to PAC policy, information requirements, and procedural requirements; however, in no event, shall Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby.

6.2 PAC's Project Manager

The role of the PAC's Project Manager is authorized to include:

- 6.2.1 Meeting with the Contractor's Project Manager on a regular basis; and
- 6.2.2 Inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor; however, in no event shall Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby.

The PAC's Project Manager is not authorized to make any changes to any of the terms and conditions of this Contract and is not authorized to further obligate PAC in any respect whatsoever.

6.3 Authorized County Personnel

Upon execution of this Contract, PAC shall provide Contractor a list of all Authorized Persons who will be permitted to direct Contractor on PAC's behalf, together with signature specimens of certain Authorized Persons who may execute specific tasks pursuant to the terms of this Contract. The list of Authorized Persons and any changes to such list shall be made in writing to Contractor and signed by County's Treasurer or his designee.

Contractor shall deal with any Authorized Person identified by PAC until PAC notifies Contractor in writing to the contrary. Contractor

agrees not to furnish any information, written or oral, to any person not specifically named on the then current list of Authorized Persons; provided, however, that Contractor may furnish such information to (i) the personnel of Authorized Persons who customarily have responsibility for communicating or otherwise transferring such information to Authorized Persons in the ordinary course of business, and (ii) government officials when such information must be provided to comply with the requirements of the applicable governing authority's laws, regulations or ordinances.

6.4 Authorized Instructions

Contractor may, in its discretion, accept verbal Authorized Instructions subject to written confirmation of same from such Authorized Person. All Authorized Instructions, whether written or verbal, shall be confirmed by Contractor in writing within 48 hours and shall bind Contractor upon receipt.

Plan shall fully protect Contractor against all loss, liability, claims and demands which result from Contractor acting in accordance with Authorized Instructions, or from misrepresentations made by any Authorized Person; provided, however, Contractor shall not receive such protection where any Authorized Instructions result in violations of Contractor's internal policies or applicable law. If Contractor receives instructions from a source other than an Authorized Person, Contractor shall not comply with such instructions and shall immediately notify the TTC in writing of such unauthorized instructions.

7.0 ADMINISTRATION OF CONTRACT – CONTRACTOR

A listing of all of Contractor's Administration referenced in the following subparagraphs are designated in *Exhibit F - Contractor's Administration*. The Contractor will notify the PAC in writing of any change in the names or addresses shown.

7.1 Contractor's Project Manager

7.1.1 The Contractor's Project Manager is designated in *Exhibit F - Contractor's Administration*. The Contractor shall notify the PAC in writing of any change in the name or address of the Contractor's Project Manager.

7.1.2 The Contractor's Project Manager shall be responsible for the Contractor's day-to-day activities as related to this

Contract and shall meet and coordinate with PAC's Project Manager on a regular basis.

- 7.1.3 Contractor Project Manager shall have at least (5) five years of experience in consulting services for large defined contribution plan with assets in excess of \$1 billion.

7.2 Approval of Contractor's Staff

PAC has the absolute right to approve or disapprove all of Contractor's staff performing work hereunder and any proposed changes in Contractor's staff, including, but not limited to, Contractor Project Manager provided, however, that such approval by PAC shall not be unreasonably withheld, delayed or conditioned. A change in Contractor Project Manager or critical senior staff without PAC approval may result in Contract termination at PAC discretion.

7.3 Contractor's Representations, Warranties and Covenants

- 7.3.1 This Contract has been duly authorized, executed and delivered by Contractor and constitutes the legal, valid and binding agreements and obligations of Contractor, enforceable against Contractor in accordance with its terms, except insofar as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar limitations on creditors' rights generally and general principles of equity.
- 7.3.2 Contractor is not subject to or obligated under any law, rule or regulation of any governmental authority, or any order, injunction or decree, or any contract, that would be breached or violated by the execution, delivery or performance of this Contract by Contractor.
- 7.3.3 All services which Contractor provides hereunder shall meet the requirements and standards described in this Contract. Contractor shall promptly correct any errors or omissions within thirty (30) days after request by PAC.
- 7.3.4 Contractor has completed, obtained and performed all registrations, filings, approvals, consents or examinations required by any government or governmental authority for the performance by the Contractor of its obligations contemplated by this Contract. Contractor agrees to maintain its status as a registered investment adviser under the Investment Advisers Act of 1940 ("Advisers Act") and to

notify the PAC within seven (7) business days after it receives notice that any governmental authority (i) is investigating it or examining it, except if they know it is a routine examination or it is an industry-wide sweep examination, or (ii) has made a preliminary determination to recommend that the authority file an action or institute a proceeding against the Contractor (e.g. Wells Notice). Contractor will deliver documentation of its status as a registered investment adviser annually, or more frequently as PAC may reasonably request.

- 7.3.5 Contractor hereby represents that it meets the definition of "investment manager" in Section 3(38) of the Employee Retirement Income Security Act of 1974 ("ERISA"). Contractor shall immediately notify PAC if at any time during the term of this Contract this representation is no longer true.
- 7.3.6 Contractor represents, warrants and covenants that Contractor shall comply with Rules 204-2 and 206(4)-3 and 206(4)-5 under the Advisers Act as they relate to the County of Los Angeles ("Political Contribution Restrictions") and shall cause all "covered associates" of the Contractor, as that term is defined in the Political Contribution Restrictions, who would be subject to the Political Contribution Restrictions as they relate to the County ("Covered Associates") to comply with such restrictions. Contractor represents, warrants and covenants that it has adopted a company-wide policy to address the Political Contribution Restrictions ("Political Contribution Policy") and internal procedures established to monitor compliance with the Political Contribution Restrictions and the Contractor's Political Contribution Policy. Contractor agrees to provide PAC a list of Covered Associates and shall provide an updated list of Covered Associates or a statement that there is no change to the existing list on an annual basis. Contractor shall promptly notify the PAC of a violation of the Political Contribution Restrictions and any "contribution," within the meaning of the Political Contribution Restrictions, as they relate to the County of Los Angeles, that the Contractor reasonably believes is or will be exempt from the Political Contribution Restrictions under Rule 206(4)-5(b)(3) (exception for certain returned contributions). The PAC may suspend or waive this requirement at any time by providing written notice to the Contractor.

7.3.7 The persons or entities who will be responsible for performing under this Contract, including any Agents or Sub-Contractors, are experienced in the performance of the various functions contemplated by this Contract and have not been subject to criminal investigation, indictment or conviction, found liable in a civil or administrative proceeding, pleaded no contest, or agreed to any consent decree with respect to any matter involving breach of trust, breach of fiduciary duty, fraud, theft, moral turpitude, securities law violations, income tax evasion or bankruptcy law violations.

7.4 Fiduciary Status

Contractor agrees that it is a fiduciary with respect to the Plan. The parties acknowledge that the Plan is not subject to the Employee Retirement Income Security Act of 1974, as amended, (“ERISA”), but acknowledge that the Plan is subject to similar fiduciary principles and laws under California law. Further, the PAC has requested and Contractor agrees that Contractor shall discharge its duties contemplated hereby with respect to the Account in accordance with the Standard of Care and, as if the Plan were governed by ERISA, and the regulations, interpretive rulings and judicial opinions issued thereunder (“ERISA Guidelines”). Any Agent or Sub-Contractor of the Contractor shall be subject to the same Standard of Care as the Contractor.

7.5 Confidentiality

7.5.1 Contractor shall maintain the confidentiality of all records obtained from the PAC under this Contract in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.

7.5.2 The Contractor’s employees may use data received from the PAC only to perform functions as defined by this Contract. Any other use or disclosure of data received requires the express approval in writing from the PAC. No work shall duplicate, disseminate or disclose any data except as allowed in this Contract.

- 7.5.3 Access to data received from the PAC shall be restricted only to workers who need the data to perform their official duties in the performance of this Contract.
- 7.5.4 Contractor's employees who access, disclose or use the data for a purpose not authorized by this Contract may be subject to civil and criminal sanctions contained in applicable federal and state statutes.
- 7.5.5 Contractor shall indemnify, defend, and hold harmless PAC, County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, suits, losses, costs, charges and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees and court costs, judgments, fines, and penalties (collectively "Claims"), arising from, connected with, or related to any failure by Contractor, its officers, employees, Agents, or Sub-Contractors, to comply with this Paragraph 7.5, as determined by PAC/County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 7.5 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by PAC/County. Notwithstanding the preceding sentence, PAC/County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide PAC/County with a full and adequate defense, as determined by PAC/County in its sole judgment, PAC/County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and to receive reimbursement from Contractor for all such costs and expenses incurred by PAC/County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of PAC/County without PAC/County's prior written approval.
- 7.5.6 Contractor shall inform all of its officers, employees, agents and Sub-Contractors providing services hereunder of the confidentiality provisions of this Contract.
- 7.5.7 Contractor shall sign and adhere to the provisions of the "*Contractor Acknowledgement and Confidentiality Agreement*", *Exhibit G1*.

- 7.5.8 Contractor shall cause each employee performing services covered by this Contract to sign and adhere to the provisions of the *“Contractor Employee Acknowledgment and Confidentiality Agreement”*, Exhibit G2.
- 7.5.9 Contractor shall cause each non-employee performing services covered by this Contract to sign and adhere to the provisions of the *“Contractor Non-Employee Acknowledgment and Confidentiality Agreement”*, Exhibit G3.
- 7.5.10 During the Term of the Contract, the Contractor shall maintain an updated file of the signed forms and shall forward copies of all signed forms to the PAC Project Director whenever changes in personnel occur.

8.0 STANDARD TERMS AND CONDITIONS

8.1 Change Notices and Amendments

- 8.1.1 The PAC reserves the right to initiate Change Notices that do not affect the Contract Term, Contract Sum or payments and do not materially alter the Contract. All such changes shall be executed with a Change Notice to this Contract signed by the Contractor and by the PAC's Project Director. For any Additional Work requested by the PAC, following agreement on the scope of such Additional Work, a Change Notice shall be prepared and executed by each of (a) the PAC's Project Director or designee, and (b) Contractor's authorized representative(s) provided that any Change Notice for Additional Work shall additionally require written approval as to form by County Counsel. The PAC is specifically authorized to execute Change Notices for acquisition of Additional Work under the Contract. Any requests for expenditures must be approved in writing by the PAC's Project Director.
- 8.1.2 For any change which affects the Contract Term, the Contract Sum and/or SOW under this Contract, an Amendment to this Contract shall be prepared and executed by the Contractor and by the PAC.
- 8.1.3 The County's Board or Chief Executive Officer (CEO) or designee may require the addition and/or change of certain terms and conditions in the Contract during the Contract Term. The PAC/County reserves the right to add and/or change such provisions as required by the County's Board

or CEO. To implement such changes, an Amendment to the Contract shall be prepared and executed by the Contractor and by the Treasurer and Tax Collector or his/her designee.

- 8.1.4 The PAC may at its sole discretion, authorize extensions of time as defined in Paragraph 5.11, Term of Contract. The Contractor agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions.

8.2 Assignment and Delegation

- 8.2.1 The Contractor shall not assign its rights or delegate its duties under this Contract, or both, whether in whole or in part, without the prior written consent of the PAC, in its discretion, and any attempted assignment or delegation to an Agent, Sub-Contractor or other entity without such consent shall be null and void. For purposes of this Contract, "assignment" shall have the same meaning given under the Advisers Act and the rules and interpretations thereunder; provided, however, that a transaction which does not result in a change of actual control or management of the Contractor shall not be treated as an assignment for purposes of this Section 8.2.
- 8.2.2 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of PAC in accordance with applicable provisions of this Contract.
- 8.2.3 Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any person or entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without PAC's express prior written approval, shall be a material breach of the Contract which may result in the termination of this Contract. In the event of such

termination, PAC shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

8.3 Authorization Warranty

The Contractor represents and warrants that the person executing this Contract for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.

8.4 Budget Reductions

In the event that the County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, the County reserves the right to reduce its payment obligation under this Contract correspondingly for that fiscal year and any subsequent fiscal year during the term of this Contract (including any extensions), and the services to be provided by the Contractor under this Contract shall also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation shall be provided within 30 calendar days of the Board of Supervisor's approval of such actions. Except as described in the preceding sentence, the Contractor shall continue to provide all of the services described in this Contract.

8.5 Complaints

The Contractor shall develop, maintain and operate procedures for receiving, investigating and responding to complaints.

8.5.1 Within ten (10) business days after Contract effective date, the Contractor shall provide the PAC with the Contractor's policy for receiving, investigating and responding to user complaints.

8.5.2 The PAC will review the Contractor's policy and provide the Contractor with approval of said plan or with requested changes.

8.5.3 If the PAC requests changes in the Contractor's policy, the Contractor shall make such changes and resubmit the plan within ten (10) business days for PAC approval.

- 8.5.4 If, at any time, the Contractor wishes to change the Contractor's policy, the Contractor shall submit proposed changes to the PAC for approval before implementation.
- 8.5.5 The Contractor shall preliminarily investigate all complaints and notify the PAC's Project Manager of the status of the investigation within five (5) business days of receiving the complaint.
- 8.5.6 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.
- 8.5.7 Copies of all written responses shall be sent to the PAC's Project Manager within five business days of mailing to the complainant.

8.6 Compliance with Applicable Law

In the performance of this Contract, Contractor shall comply with all applicable foreign, international, Federal, State, County and local laws, rules, regulations, ordinances, directives, guidelines, policies, procedures, registrations, filings, approvals, authorizations, consents, and examinations (collectively, "Legal Requirements"), and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference. In addition, Contractor shall comply with any statutory or administrative exemption with respect to any transaction contemplated by this Contract that but for compliance with such statutory or administrative exemption would constitute a "prohibited transaction" under Section 406 of ERISA or Section 4975 of the Code with respect to the Account if the Plan were subject to such restrictions.

8.7 Compliance with Civil Rights Laws

The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. The Contractor shall comply with *Exhibit D - Contractor's EEO Certification*.

8.8 Compliance with the County's Jury Service Program

8.8.1 Jury Service Program:

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached as *Exhibit H* and incorporated by reference into and made a part of this Contract.

8.8.2 Written Employee Jury Service Policy.

1. Unless the Contractor has demonstrated to the PAC's satisfaction either that the Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that the Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), the Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
2. For purposes of this subparagraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the Plan or a subcontract with a Plan Contractor and has received or will receive an aggregate sum of twenty-five thousand dollars (\$25,000) or more in any twelve (12) month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the Contractor. "Full-time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the PAC, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a twelve (12) month period are not considered full-time for purposes of the Jury Service Program. If the Contractor uses any Sub-Contractor to perform services for the PAC under

the Contract, the Sub-Contractor shall also be subject to the provisions of this subparagraph. The provisions of this subparagraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

3. If the Contractor is not required to comply with the Jury Service Program when the Contract commences, the Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and the Contractor shall immediately notify the PAC if the Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if the Contractor no longer qualifies for an exception to the Jury Service Program. In either event, the Contractor shall immediately implement a written policy consistent with the Jury Service Program. The PAC may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate, to the PAC's satisfaction that the Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that the Contractor continues to qualify for an exception to the Program.
4. Contractor's violation of this subparagraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, PAC may, in its sole discretion, terminate the Contract and/or bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

8.9 Conflict of Interest

- 8.9.1 No PAC or County employee whose position with the PAC or County enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall in any way participate in the PAC's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the PAC's approval or ongoing evaluation of such work.

8.9.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the TTC. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this subparagraph shall be a material breach of this Contract.

8.10 Consideration of Hiring County Employees Targeted for Layoff or Re-Employment List

Should the Contractor require additional or replacement personnel after the effective date of this Contract to perform the services described herein, the Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Contract.

8.11 Consideration of Hiring Gain-Grow Participants

8.11.1 Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN-GROW participants by job category to the Contractor. Contractors shall report all job openings with job requirements to: GAINGROW@dpss.lacounty.gov to obtain a list of qualified GAIN-GROW job candidates.

8.11.2 In the event that both laid-off County employees and GAIN-GROW participants are available for hiring, County employees shall be given first priority.

8.12 Contractor Responsibility and Debarment

8.12.1 Responsible Contractor

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible Contractors.

8.12.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts the Contractor may have with the County.

8.12.3 Non-responsible Contractor

The County may debar a Contractor if the Board finds, in its discretion, that the Contractor has done any of the following: 1) violated a term of a contract with the County or a nonprofit corporation created by the County, 2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, 3) committed an act or offense which indicates a lack of business integrity or business honesty, or 4) made or submitted a false claim against the County or any other public entity.

8.12.4 Contractor Hearing Board

1. If there is evidence that the Contractor may be subject to debarment, the TTC will notify the Contractor in writing of the evidence which is the basis for the

proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

2. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the TTC shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board.
3. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
4. If a Contractor has been debarred for a period longer than five (5) years, that Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: 1) elimination of the grounds for which the debarment was imposed; 2) a bona fide change in ownership or management; 3) material evidence discovered after debarment was imposed; or 4) any other reason that is in the best interests of the County.
5. The Contractor Hearing Board will consider a request for review of a debarment determination only where 1) the Contractor has been debarred for a period longer than five (5) years; 2) the debarment has been in effect for at least five (5) years; and 3) the request is in writing, states one or more of the grounds for

reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

6. The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.12.5 Sub-Contractors of Contractor

These terms shall also apply to Sub-Contractors of County Contractors.

8.13 Contractor's Acknowledgement of County's Commitment to Safely Surrendered Baby Law

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Sub-Contractors, if any, to post this poster in a prominent position in the Sub-Contractor's place of business. The County's Department of Children and Family Services will supply the Contractor with the poster to be used. Information on how to receive the poster can be found on the Internet at www.babysafela.org.

8.14 Contractor's Warranty of Adherence to County's Child Support Compliance Program

8.14.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who

benefit financially from the County through contracts are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

- 8.14.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the term of this Contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

8.15 County's Quality Assurance Plan

The TTC or its agent will evaluate the Contractor's performance under this Contract on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Contract terms and conditions and performance standards. Contractor deficiencies which the TTC determines are severe or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the PAC.

The report will include improvement/corrective action measures taken by the TTC and the Contractor. If improvement does not occur consistent with the corrective action measures, the PAC may terminate this Contract or impose other penalties as specified in this Contract.

8.16 Damage to County Facilities, Buildings or Grounds

- 8.16.1 The Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by the Contractor or employees or agents of the Contractor. Such repairs shall be made immediately after the Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

8.16.2 If the Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by the Contractor by cash payment upon demand.

8.17 Employment Eligibility Verification

8.17.1 The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law.

8.17.2 The Contractor shall indemnify, defend, and hold harmless, the County, PAC, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the PAC or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

8.18 Facsimile Representations

The PAC reserves the right to accept facsimile representations of original signatures of authorized officers of Contractor, when appearing in appropriate places on the Change Notices and Amendments prepared pursuant to subparagraph 8.1, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Change Notices and Amendments to this Contract, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

8.19 Fair Labor Standards

The Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the County, PAC and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor's employees for which the PAC may be found jointly or solely liable.

8.20 Force Majeure

8.20.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's Sub-Contractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this subparagraph as "force majeure events").

8.20.2 Notwithstanding the foregoing, a default by a Sub-Contractor of Contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such Sub-Contractor, and without any fault or negligence of either of them. In such case, Contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the Sub-Contractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this subparagraph, the term "Sub-Contractor" and "Sub-Contractors" mean Sub-Contractors at any tier.

8.20.3 In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

8.21 Governing Law, Jurisdiction, and Venue

This Contract shall be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

8.22 Independent Contractor Status

8.22.1 This Contract is by and between the PAC and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

8.22.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The County or the PAC shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

8.22.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

8.22.4 The Contractor shall adhere to the provisions described in subparagraph 7.5 - Confidentiality.

8.23 Indemnification

The Contractor shall indemnify and hold harmless the PAC, Plans(s), County, its officers, fiduciaries (excluding Contractor), employees, and agents, from and against any and all Claims (as defined in Section 7.5.5) arising from, connected with, or related in

any manner to any failure by Contractor, its officers, employees, Agents, or Sub-Contractors, to comply with any provisions of this Contract, as determined by PAC, in its sole judgment. Contractor's indemnification and hold harmless obligations shall include, without limitation, Claims for bad faith, negligence, willful misconduct, misrepresentation, infringement of intellectual property rights, breach of the Standard of Care, breach of the Contract or violation of any Legal Requirement (as defined in Section 8.6 above). Any legal defense pursuant to Contractor's indemnification and hold harmless obligations under this Section 8.23 shall be conducted by Contractor and performed by the Counsel selected by Contractor and approved by PAC. Notwithstanding the preceding sentence, PAC shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide PAC with a full and adequate defense, as determined by PAC in its sole judgment, PAC shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by PAC in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of PAC/County without PAC/County's prior written approval.

8.24 General Provisions for all Insurance Coverage

Without limiting Contractor's indemnification of County and PAC, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor shall provide and maintain, and shall require all of its Sub-Contractors, including, without limitation, any Agents, to maintain, at their own expenses, insurance coverage satisfying the requirements specified in Sections 8.24 and 8.25 of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. The County and PAC in no way warrant that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

8.24.1 Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) satisfactory to PAC, and a copy of an Additional Insured endorsement confirming County and PAC (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered

to PAC at the address shown below and provided prior to commencing services under this Contract.

- Renewal Certificates shall be provided to PAC not less than ten (10) days prior to Contractor's policy expiration dates. The PAC reserves the right to obtain complete, certified copies of any required Contractor and/or Sub-Contractor insurance policies at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Contractor identified as the contracting party in this Contract. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand dollars (\$50,000), and list any PAC required endorsement forms.
- Neither the PAC's failure to obtain, nor the PAC's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles
Treasurer and Tax Collector,
500 West Temple Street – Room 432
Attention: Teresa Gee

Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify PAC of any third party claim or suit filed against Contractor or any of its Sub-Contractors which arises from

or relates to this Contract, and could result in the filing of a claim or lawsuit against Contractor and/or PAC.

8.24.2 Additional Insured Status and Scope of Coverage

The PAC and the County of Los Angeles, their Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and PAC) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the PAC. County and PAC additional insured status shall apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the PAC and/or County. The full policy limits and scope of protection also shall apply to the County and PAC as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.24.3 Cancellation of or Changes in Insurance

Contractor shall provide PAC with, or Contractor's insurance policies shall contain a provision that PAC shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to PAC at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the PAC, upon which the PAC may suspend or terminate this Contract.

8.24.4 Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which PAC immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract.

PAC, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the PAC may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

8.24.5 Insurer Financial Ratings

Coverage shall be placed with insurers acceptable to the PAC with A.M. Best ratings of not less than A:VII unless otherwise approved by County .

8.24.6 Contractor's Insurance Shall Be Primary

Contractor's insurance policies, with respect to any claims related to this Contract, shall be primary with respect to all other sources of coverage available to Contractor. Any County and PAC maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

8.24.7 Waivers of Subrogation

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against PAC under all the Required Insurance for any loss arising from or relating to this Contract. The Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

8.24.8 Sub-Contractor Insurance Coverage Requirements

Contractor shall include all Sub-Contractors as insureds under Contractor's own policies, or shall provide PAC with each Sub-Contractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein, and shall require that each Sub-Contractor name the PAC and Contractor as additional insureds on the Sub-Contractor's General Liability policy. Contractor shall obtain PAC's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

8.24.9 Deductibles and Self-Insured Retentions (SIRs)

Contractor's policies shall not obligate the PAC to pay any portion of any Contractor deductible or SIR. The PAC retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the PAC, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.24.10 Claims Made Coverage

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Contract. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.

8.24.11 Application of Excess Liability Coverage

Contractors may use a combination of primary and excess insurance policies which provide coverage as broad as the underlying primary policies, to satisfy the Required Insurance provisions.

8.24.12 Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

8.24.13 Alternative Risk Financing Programs

The PAC reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The PAC and its Agents shall be designated as an Additional Covered Party under any approved program.

8.24.14 **County Review and Approval of Insurance Requirements**

The PAC reserves the right to review and adjust the Required Insurance provisions, conditioned upon PAC's determination of changes in risk exposures.

8.25 **Insurance Coverage**

8.25.1 **Commercial General Liability** insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming PAC and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

8.25.2 **Automobile Liability** insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.25.3 **Workers Compensation and Employers' Liability** insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than one million (\$1,000,000) per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the PAC as the Alternate Employer, and the endorsement form shall be modified to provide that PAC will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements

of any federal workers or workmen's compensation law or any federal occupational disease law.

8.25.4 Unique Insurance Coverage

- **Professional Liability-Errors and Omissions**

Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than \$1 million per claim and two (\$2) million aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following this Contract's expiration, termination or cancellation.

8.26 Liquidated Damages

8.26.1 If, in the judgment of the PAC, or its designee, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the PAC, or its designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the Contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from payments to the Contractor from the PAC, will be forwarded to the Contractor by the PAC, or its designee, in a written notice describing the reasons for said action.

8.26.2 If the PAC, or its designee, determines that there are deficiencies in the performance of this Contract that the PAC, or its designee, deems are correctable by the Contractor over a certain time span, the PAC, or its designee, will provide a written notice to the Contractor to correct the deficiency within specified time frames. Should the Contractor fail to correct deficiencies within said time frame, the PAC, or its designee, may: (a) Deduct from the Contractor's payment, pro rata, those applicable portions of the services performed with deficiencies; and/or (b) Deduct liquidated damages. The parties hereby agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to correct a deficiency within the specified time frame. The parties agree that the Contractor shall be liable to the PAC for liquidated damages in said amount. Said amount shall be deducted from the PAC payment to the Contractor; and/or (c) Upon giving five (5) days notice to the

Contractor for failure to correct the deficiencies, the PAC may correct any and all deficiencies and the total costs incurred by the PAC for completion of the work by an alternate source, whether it be PAC forces or separate private contractor, will be deducted and forfeited from the payment to the Contractor from the PAC, as determined by the PAC.

- 8.26.3 The action noted in subparagraph 8.26.2 shall not be construed as a penalty, but as adjustment of payment to the Contractor to recover the PAC cost due to the failure of the Contractor to complete or comply with the provisions of this Contract.
- 8.26.4 This subparagraph shall not, in any manner, restrict or limit the PAC's right to damages for any breach of this Contract provided by law or subparagraph 8.26.2, and shall not, in any manner, restrict or limit the PAC's right to terminate this Contract as agreed to herein.
- 8.26.5 Notwithstanding anything in this Contract to the contrary, the parties agree that the Plan and Trust will incur actual damages if this Contract is terminated early by either party in connection with a breach of Section 7.3.6 - Political Contribution Restrictions and that such actual damages are difficult to calculate, impracticable to fix, and will include, but are not limited to, the Plan's costs of procurement of replacement services. Therefore, Contractor and PAC agree that PAC shall, at its sole option, be entitled to liquidated damages from Contractor, pursuant to California Civil Code Section 1671, in the amount of fifty-thousand dollars \$50,000, as equitable compensation to the Plan for such actual damages. The liquidated damages shall be paid by Contractor to the Trustee by cash payment upon demand. These liquidated damages shall be in addition to disgorgement by Contractor of any fees subject to the Political Contributions Restrictions and any other damages, costs or penalties provided under applicable Federal laws and any rules and regulations promulgated thereunder. Contractor's payment of these liquidated damages shall not in any way change, or affect the provisions of Section 8.23 - Indemnification.

8.27 Most Favored Public Entity

If the Contractor's prices decline, or should the Contractor at any time during the term of this Contract provide the same goods or

services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Contract, then such lower prices shall be immediately extended to the Plan.

8.28 Nondiscrimination and Affirmative Action

- 8.28.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.
- 8.28.2 The Contractor shall certify to, and comply with, the provisions of *Exhibit D - Contractor's EEO Certification*.
- 8.28.3 The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 8.28.4 The Contractor certifies and agrees that it will deal with its Sub-Contractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.
- 8.28.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.

- 8.28.6 The Contractor shall allow PAC representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this subparagraph 8.28 when so requested by the PAC.
- 8.28.7 If the PAC finds that any provisions of this subparagraph 8.28 have been violated, such violation shall constitute a material breach of this Contract upon which the PAC may terminate or suspend this Contract. While the PAC reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the PAC that the Contractor has violated the anti-discrimination provisions of this Contract.
- 8.28.8 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Contract, the PAC shall, at its sole option, be entitled to the sum of five hundred (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

8.29 Non Exclusivity

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with the Contractor. This Contract shall not restrict PAC from acquiring similar, equal or like goods and/or services from other entities or sources.

8.30 Notice of Delays

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one business day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.31 Notice of Disputes

The Contractor shall bring to the attention of the PAC's Project Manager and/or PAC's Project Director any dispute between the PAC and the Contractor regarding the performance of services as stated in this Contract. If the PAC's Project Manager or PAC's

Project Director is not able to resolve the dispute, the PAC, or designee shall resolve it.

8.32 Notice to Employees Regarding the Federal Earned Income Credit

The Contractor shall notify its employees, and shall require each Sub-Contractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements described in Internal Revenue Service Notice No. 1015.

8.33 Notice to Employees Regarding the Safely Surrendered Baby Law

The Contractor shall notify and provide to its employees, and shall require each Sub-Contractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in the County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit I of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

8.34 Notices

All notices or demands required or permitted to be given or made under this Contract shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in *Exhibits E - PAC's Administration* and *F - Contractor's Administration*. Addresses may be changed by either party giving ten (10) days prior written notice thereof to the other party. The TTC shall have the authority to issue all notices or demands required or permitted by the PAC under this Contract.

8.35 Prohibition Against Inducement or Persuasion

Notwithstanding the above, the Contractor and the PAC agree that, during the term of this Contract and for a period of one (1) year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.36 Public Records Act

- 8.36.1 Any documents submitted by the Contractor; all information obtained in connection with the PAC's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to subparagraph 8.38 - Record Retention and Inspection - Audit Settlement of this Contract; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process for this Contract, become the exclusive property of the PAC. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The PAC shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.
- 8.36.2 In the event the PAC is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", the Contractor agrees to defend and indemnify the PAC from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

8.37 Publicity

- 8.37.1 The Contractor shall not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the PAC shall not inhibit the Contractor from publishing its role under this Contract within the following conditions:
- The Contractor shall develop all publicity material in a professional manner; and
 - During the term of this Contract, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the

name of the PAC without the prior written consent of the PAC's Project Director. The PAC shall not unreasonably withhold written consent.

8.37.2 The Contractor may, without the prior written consent of PAC, indicate in its proposals and sales materials that it has been awarded this Contract with the PAC of Los Angeles, provided that the requirements of this subparagraph 8.37 shall apply.

8.38 Record Retention and Inspection - Audit Settlement

The Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Contract. The Contractor agrees that the PAC, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by the Contractor and shall be made available to the PAC during the term of this Contract and for a period of five (5) years thereafter unless the PAC's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the PAC's option, the Contractor shall pay the PAC for travel, per diem, and other costs incurred by the PAC to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.38.1 In the event that an audit of the Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, then the Contractor shall file a copy of such audit report with the County's Auditor-Controller within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. Subject to applicable law, the PAC shall make a reasonable effort to maintain the confidentiality of such audit report(s).

- 8.38.2 Failure on the part of the Contractor to comply with any of the provisions of this subparagraph 8.38 shall constitute a material breach of this Contract upon which the PAC may terminate or suspend this Contract.
- 8.38.3 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the PAC conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the PAC's dollar liability for any such work is less than payments made by the PAC to the Contractor, then the difference shall be either: a) repaid by the Contractor to the PAC by cash payment upon demand or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to the Contractor from the PAC, whether under this Contract or otherwise. If such audit finds that the PAC's dollar liability for such work is more than the payments made by the PAC to the Contractor, then the difference shall be paid to the Contractor by the PAC by cash payment, provided that in no event shall the PAC's maximum obligation for this Contract exceed the funds appropriated by the PAC for the purpose of this Contract.
- 8.38.4 Financial Statements and Pending Litigation: Beginning one (1) year after the Effective Date and every year thereafter, until the expiration of this contract, Contractor, at the request of TTC, shall submit a complete set of audited financial statements for the preceding twelve (12) month period. Such statements shall, at a minimum, include a Balance Sheet (Statement of Financial Position), and Income Statement (Statement of Operations). TTC reserves the right to request these audited financial statements on a more frequent basis and will so notify Contractor in writing.

Contractor shall annually submit a statement regarding any pending litigation since Contractor last reported same to TTC.

8.39 Recycled Bond Paper

Consistent with the Board's policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on this Contract.

8.40 Subcontracting

- 8.40.1 The work requirements of this Contract may not be subcontracted by the Contractor without the advance written approval of the PAC. Any attempt by the Contractor to subcontract without the prior consent of the PAC may be deemed a material breach of this Contract except as otherwise permitted hereunder.
- 8.40.2 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the PAC request and prior to any work being performed by the Sub-Contractor:
- A description of the work to be performed by the Sub-Contractor;
 - A draft copy of the proposed subcontract; and
 - Other pertinent information and/or certifications requested by the PAC.
- 8.40.3 The Contractor shall indemnify, defend, and hold the PAC harmless with respect to the activities of each and every Sub-Contractor in the same manner and to the same degree as if such Sub-Contractor(s) were the Contractor employees.
- 8.40.4 The Contractor shall remain fully responsible for all performances required of it under this Contract, including those that the Contractor has determined to subcontract, notwithstanding the PAC's approval of the Contractor's proposed subcontract.
- 8.40.5 The PAC's consent to subcontract shall not waive the PAC's right to prior and continuing approval of any and all personnel, including Sub-Contractor employees, providing services under this Contract. The Contractor is responsible to notify its Sub-Contractors of this PAC right.
- 8.40.6 The PAC's Project Director is authorized to act for and on behalf of the PAC with respect to approval of any subcontract and Sub-Contractor employees. After approval of the subcontract by the PAC, Contractor shall forward a fully executed subcontract to the PAC for their files.

8.40.7 The Contractor shall be solely liable and responsible for all payments or other compensation to all Sub-Contractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the PAC's consent to subcontract.

8.40.8 The Contractor shall obtain certificates of insurance, which establish that the Sub-Contractor maintains all the programs of insurance required by the PAC from each approved Sub-Contractor. The Contractor shall ensure delivery of all such documents before any Sub-Contractor employee may perform any work hereunder to:

County of Los Angeles
Treasurer and Tax Collector,
500 West Temple Street – Room 432
Attention: Teresa Gee.

8.40.9 The Contractor shall include in its agreements with Sub-Contractor a provision that binds the Sub-Contractor or Agent to the same Standard of Care herein.

8.41 Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program

Failure of the Contractor to maintain compliance with the requirements set forth in subparagraph 8.14 - Contractor's Warranty of Adherence to County's Child Support Compliance Program, shall constitute default under this Contract. Without limiting the rights and remedies available to the PAC under any other provision of this Contract, failure of the Contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which the PAC may terminate this Contract pursuant to subparagraph 8.43 - Termination for Default and pursue debarment of the Contractor, pursuant to County Code Chapter 2.202.

8.42 Termination for Convenience

8.42.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed by the PAC, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to the Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent. In no event shall PAC

termination of this Contract pursuant to this Section 8.42 be deemed a waiver of PAC's right to make a claim against Contractor for damages resulting from any default by Contractor or its Agents which occurred prior to the Effective Termination Date.

8.42.2 After receipt of a notice of termination and except as otherwise directed by the PAC, the Contractor shall:

- Stop work under this Contract on the date and to the extent specified in such notice, and
- Complete performance of such part of the work as shall not have been terminated by such notice.

8.42.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Contract shall be maintained by the Contractor in accordance with subparagraph 8.38, Record Retention and Inspection - Audit Settlement.

8.43 Termination for Default

8.43.1 The PAC, in its sole discretion, may immediately terminate this Contract by written Notice of Termination for Default to the Contractor, which specifies that Contractor's performance is terminated and the Effective Termination Date, under any one of the following circumstances:

- a. If Contractor or any of its Agents materially fails to perform the services described in the SOW and subsequently fails to cure such default within 30 calendar days after receiving notice from PAC of such default;
- b. If Contractor or any of its Agents materially fails to perform or cause to be performed any of the other provisions of this Contract, and fails to cure such default within 30 calendar days (or such longer period as PAC may authorize in writing) after receipt of written notice from PAC specifying such default;
- c. Upon notice but without further cure period, if Contractor or any of its Agents repeatedly fails to perform according to this Contract following notice and failure to cure pursuant to Sections (a) and (b) of this Section 8.43.1;

- d. Without prior notice or cure if Contractor or any of its Agents materially breaches any of the warranties, representations and covenants made in Section 7.3, so as to adversely affect Plan;
- e. Without prior notice or cure if Contractor files for bankruptcy, becomes insolvent or generally cannot pay its debts as they become due;
- f. Without prior notice or cure if Contractor is subject to criminal investigation, indictment or conviction, or is found civilly or criminally liable by a trial court, judge or administrative body, pleaded no contest, or agreed to any consent decree with respect to any matter involving breach of trust or fiduciary duty, fraud, theft, moral turpitude, securities violation, income tax evasion or bankruptcy law violations; or
- g. Without prior notice or cure if Contractor attempts or purports to assign this Contract, or any portion thereof, or any of its rights or obligations hereunder, without the prior written consent of PAC, except as provided in Section 8.2, Assignment and Delegation.

8.43.2 In the event that the PAC terminates this Contract in whole or in part as provided in subparagraph 8.43.1, the PAC may procure, upon such terms and in such manner as the PAC may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the PAC for any and all excess costs incurred by the PAC, as determined by the PAC, for such similar goods and services. The Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this subparagraph.

8.43.3 If, after the PAC has given notice of termination under the provisions of this subparagraph 8.43, it is determined by the PAC that the Contractor was not in default under the provisions of this subparagraph 8.43, or that the default was excusable under the provisions of subparagraph 8.43.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to subparagraph 8.42 - Termination for Convenience.

8.43.4 The rights and remedies of the PAC provided in this subparagraph 8.43 shall not be exclusive and are in addition

to any other rights and remedies provided by law or under this Contract.

- 8.43.5 Upon notice, if Contractor or a Covered Associate breaches Section 7.3.6 with respect to the Political Contributions Restrictions.

8.44 Termination for Improper Consideration

8.44.1 The PAC may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment, or extension of this Contract or the making of any determinations with respect to the Contractor's performance pursuant to this Contract. In the event of such termination, the PAC shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.44.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the PAC manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

8.44.3 Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

8.45 Termination for Insolvency

8.45.1 The PAC may terminate this Contract forthwith in the event of the occurrence of any of the following:

- Insolvency of the Contractor. The Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;

- The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the Contractor; or
- The execution by the Contractor of a general assignment for the benefit of creditors.

8.45.2 The rights and remedies of the PAC provided in this subparagraph 8.45 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.46 Termination for Non-Adherence of County Lobbyist Ordinance

The Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which the County may in its sole discretion, immediately terminate or suspend this Contract.

8.47 Termination for Non-Appropriation of Funds

Notwithstanding any other provision of this Contract, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the County's future fiscal years unless and until the County's Board of Supervisors appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The PAC shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.48 Validity

If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

8.49 Waiver

No waiver by the PAC of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the PAC to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this subparagraph 8.49 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.50 Warranty Against Contingent Fees

8.50.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

8.50.2 For breach of this warranty, the PAC shall have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

8.51 Warranty of Compliance with County's Defaulted Property Tax Reduction Program

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles County Code Chapter 2.206.

8.52 Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 8.51 "Warranty of Compliance with County's

Defaulted Property Tax Reduction Program” shall constitute default under this contract. Without limiting the rights and remedies available to PAC under any other provision of this contract, failure of Contractor to cure such default within ten (10) days of notice shall be grounds upon which PAC may terminate this contract and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206.

8.53 Time Off for Voting

The Contractor shall notify its employees, and shall require each Sub-Contractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than ten (10) days before every statewide election, every Contractor and Sub-Contractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.

8.54 Rights, Remedies and Responsibilities Upon Termination

In the event of any termination of this Contract, all of the terms and conditions herein shall continue to apply through the Effective Termination Date and through any period following such date, during which period Contractor and its Agents shall continue to perform the services required hereunder in order to complete any transactions pending on the Effective Termination Date and to facilitate an orderly transition to a successor contractor (“Transition Period”). Such Transition Period shall not exceed twelve (12) months after the Effective Termination Date. The following provisions shall also apply to any termination of this Contract:

8.54.1 Right to Suspend Performance: Immediately upon giving any Notice of Termination pursuant to Section 8.42 and 8.43 above, PAC may, to the extent it deems necessary or appropriate, suspend, to the extent possible, the authority of Contractor or its Agents to perform any or all of the acts and services described in this Contract including, without limitation, the right to enter into any contract binding upon PAC (“Notice of Suspension”). PAC may include such Notice of Suspension in the Notice of Termination or submit it in a separate written notice.

8.54.2 Post-Termination Responsibilities: If either party terminates this Contract, and unless otherwise expressly directed by PAC, Contractor and its Agents shall: (a) subject to Contractor’s obligations under Section 8.54.7,

take all necessary steps to stop services under this Contract on the Effective Termination Date and to the extent specified in the Notice of Termination; and (b) continue to perform those services, if any, which have not been terminated by the Notice of Termination.

- 8.54.3 Termination Invoice: Following the Effective Termination Date of this Contract, Contractor shall submit to PAC, in the form and with any reasonable certifications as may be prescribed by PAC, Contractor's final invoice ("Termination Invoice"). The Termination Invoice shall prorate Contractor's fees and expenses, on a daily basis, for work already performed but for which Contractor has not been compensated through the Effective Termination Date, in accordance with the then current Pricing Schedule (Exhibit B). Contractor shall submit such Termination Invoice no later than three (3) months after the Effective Termination Date. Upon Contractor's failure to submit its Termination Invoice within the time allowed, PAC may determine, on the basis of information available to PAC, and with notice to Contractor, the amount, if any, due to Contractor and such determination shall be deemed final. After PAC has made such determination, or after Contractor has submitted its Termination Invoice and subject to the provisions of Sections 5.9.2 and 5.9.3, PAC shall make payment to Contractor.
- 8.54.4 Payment Withheld for Default PAC shall not authorize and shall withhold payment for those parts of this Contract that PAC terminated for default pursuant to Subparagraph 8.43. Payment for services which PAC received prior to such default will be determined in accordance with Section 8.54.3.
- 8.54.5 New Service Provider; Excess Costs: If PAC terminates this Contract for default pursuant to Subparagraph 8.43 PAC may procure from a third party, upon such terms and in such manner as PAC deems appropriate, services similar to those services terminated. Contractor shall be liable to PAC for Excess Costs for a period not to exceed one hundred eighty (180) calendar days; provided, however, Contractor shall not be liable for any Excess Costs if Contractor's or its Agents' failure to perform arises from causes beyond the control and without the fault or negligence of Contractor or its Agents, including but not limited to causes of Force Majeure. Contractor and its

Agents shall continue to perform those provisions of this Contract, if any, that have not been terminated, to the extent possible.

- 8.54.6 Excusable Default: If, after PAC issues a Notice of Termination for Default pursuant to Section 8.41, it is determined for any reason that Contractor and its Agents was/were not in default, or that such default was excusable, then the rights and obligations of the parties shall be the same as if PAC had issued a Notice of Termination for Convenience pursuant to Section 8.42. PAC will notify Contractor of the same.
- 8.54.7 Good Faith Transfer Upon any termination of this Contract by either party and to the extent mutually agreed, Contractor shall continue to serve hereunder at the then existing compensation level until a successor contractor is appointed and the services provided hereunder are transferred to such successor Contractor. Contractor and its Agents shall cooperate in good faith with PAC and the successor contractor to affect a smooth and orderly transfer of records to such successor contractor. Upon termination of this Contract, Contractor and its Agents shall retain all PAC Records (as that term is defined in Subparagraph 8.38) according to the record retention provisions set forth in Subparagraph 8.38.
- 8.54.8 Intentionally Omitted
- 8.54.9 Cumulative Nature of Rights and Remedies: The rights and remedies of the parties provided by this Subparagraph 8.54 are not exclusive, but cumulative and in addition to any other rights and remedies provided by law, in equity or under any of the provisions of this Contract.

8.55 Green Initiatives

The Contractor shall use reasonable efforts to initiate “green” practices for environmental and energy conservation benefits. The Contractor shall notify PAC’s Contract Manager of Contractor’s new green initiatives prior to the Contract commencement.

8.56 Survival

In addition to any provisions of this Contract which specifically state that they will survive the termination or expiration of this Contract and any rights and obligations under this Contract which by their

nature should survive, the following Paragraphs and Subparagraphs shall survive any termination or expiration of this Contract:

- Paragraph 5.6 (Transition Period Fee)
- Paragraph 7.5 (Confidentiality)
- Paragraph 8.6 (Compliance with Applicable Law)
- Paragraph 8.21 (Governing Law, Jurisdiction, and Venue)
- Paragraph 8.23 (Indemnification)
- Paragraph 8.24 (General Provisions for All Insurance Coverage)
- Paragraph 8.25 (Insurance Coverage)
- Paragraph 8.38 (Record Retention and Inspection/Audit Settlement)
- Paragraph 8.56 (Survival)

8.57 Background and Security Investigation

- 8.57.1 Each of Contractor's staff performing services under this Contract, who is in a designated sensitive position, as determined by PAC in PAC's sole discretion, shall undergo and pass a background investigation to the satisfaction of PAC as a condition of beginning and continuing to perform services under this Contract. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level review, which may include, but shall not be limited to, criminal conviction information. The fees associated with the background investigation shall be at the expense of the Contractor, regardless of whether the member of Contractor's staff passes or fails the background investigation.
- 8.57.2 If a member of Contractor's staff does not pass the background investigation, PAC may request that the member of Contractor's staff be removed immediately from performing services under the Contract. Contractor shall comply with PAC's request at any time during the term of the Contract. PAC will not provide to Contractor or to Contractor's staff any information obtained through the PAC's background investigation.
- 8.57.3 PAC, in its sole discretion, may immediately deny or terminate facility access to any member of Contractor's staff that does not pass such investigation to the satisfaction of the PAC or whose background or conduct is incompatible with PAC facility access.

8.57.4 Disqualification of any member of Contractor's staff pursuant to Section 8.17 shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

8.58 Use of County Seal and/or TTC's Logo

The PAC/County claims right, title, and interest in and to certain intellectual property, including but not limited to, the current and former County seals and TTC logos (hereafter collectively "County Seals"). Except as expressly authorized herein, the Contractor shall not reproduce, copy, distribute, republish, download, display, post, transmit, or make any other use of any kind whatsoever of the County Seals, in any format or by any means whatsoever. At no time shall the Contractor in any manner (i) modify the County Seals, or (ii) create derivative works of the County Seals. The Contractor shall not in any manner sublicense, transfer or assign its rights, or delegate its duties, with respect to use of the County Seals, whether in whole or in part, without the prior written consent of the County, in its discretion, and any attempted sublicense, transfer, assignment, or delegation without such consent shall be null and void.

8.59 Information Security Requirements

The Contractor should meet or exceed physical and/or computer security safeguards as identified in the Information Security and Privacy Requirements, Exhibit J to this Contract.

8.60 Security/Data Exchange

8.60.1 The Contractor shall exchange all data with the TTC electronically and securely, unless otherwise directed by the TTC. All data exchanges must take place in a secure manner using SFTP with data encryption with minimum cipher strength of 256-bit.

8.60.2 The Contractor must encrypt electronic files using PGP encryption. Use of open source PGP software is prohibited.

8.60.3 Email exchanged between the Contractor and the County should be encrypted. If it is necessary to attach a file, the file should be encrypted and attached to the encrypted email. The password for the encrypted email should be exchanged via a phone call. Email addresses will need confirmation of their authenticity prior to the exchange of email.

8.60.4 The Contractor must provide an overview of an annual cyber information security risk assessment to the TTC, as it pertains to the online operating environment of both the system/application used to provide the Web Portal.

9.0 UNIQUE TERMS AND CONDITIONS

9.1 Contractor Business Requirements: Contractor must be qualified to do business in the State of California

9.2 Local Small Business Enterprise Preference Program

9.2.1 This Contract is subject to the provisions of the County's ordinance entitled Local Small Business Enterprise Preference Program, as codified in Chapter 2.204 of the County Code.

9.2.2 The Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Local SBE.

9.2.3 The Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Local SBE

9.2.4 If the Contractor has obtained certification as a Local SBE by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:

1. Pay to the PAC any difference between the contract amount and what the PAC's costs would have been if the contract had been properly awarded;
2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than ten (10) percent of the amount of the contract; and

3. Be subject to the provisions of Chapter 2.202 of the County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the State, the Department of Consumer and Business Affairs and Internal Services Department (ISD) of this information prior to responding to a solicitation or accepting a contract award.

9.3 Disabled Veteran Business Enterprise Preference Program

- 9.3.1 This Contract is subject to the provisions of the County's ordinance entitled Disabled Veteran Business Enterprise Preference Program, as codified in Chapter 2.211 of the Los Angeles County Code.
- 9.3.2 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Disabled Veteran Business Enterprise.
- 9.3.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Disabled Veteran Business Enterprise.
- 9.3.4 If Contractor has obtained certification as a Disabled Veteran Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:
 1. Pay to the PAC any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;

2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent of the amount of the contract; and
3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the state and ISD of this information prior to responding to a solicitation or accepting a contract award.

9.4 Transitional Job Opportunities Preference Program

- 9.4.1 This Contract is subject to the provisions of the County's ordinance entitled Transitional Job Opportunities Preference Program, as codified in Chapter 2.205 of the Los Angeles County Code.
- 9.4.2 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Transitional Job Opportunity vendor.
- 9.4.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Transitional Job Opportunity vendor.
- 9.4.4 If Contractor has obtained County certification as a Transitional Job Opportunity vendor by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:

- a. Pay to the PAC any difference between the contract amount and what the County's costs would have been if the contract had been properly awarded;
- b. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than ten percent (10%) of the amount of the contract; and
- c. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any entity that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the certifying department of this information prior to responding to a solicitation or accepting a contract award.

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IN WITNESS WHEREOF, the Deferred Compensation and Thrift Plan Administrative Committee and County has caused this Contract to be executed by the Chair of the Deferred Compensation and Thrift Plan and Contractor has caused this Contract to be executed by its duly authorized representative on the day, month and year first above written.

COUNTY OF LOS ANGELES

CONTRACTOR: (_____)
Name

By _____
Chair, Deferred Compensation
and Thrift Plan Administrative
Committee

By _____
Name

Title

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By _____
Principal Deputy County Counsel

STATEMENT OF WORK

(See APPENDIX A, Statement of Work)

PRICING SCHEDULE

(See APPENDIX D Required Forms, Exhibit 11)

CERTIFICATION OF NO CONFLICT OF INTEREST

The Los Angeles County Code, Section 2.180.010, provides as follows:

CONTRACTS PROHIBITED

Notwithstanding any other section of this Code, the PAC shall not contract with, and shall reject any proposals submitted by, the persons or entities specified below, unless the PAC finds that special circumstances exist which justify the approval of such contract:

1. Employees of the County or of public agencies for which the Board of Supervisors is the governing body;
2. Profit-making firms or businesses in which employees described in number 1 serve as officers, principals, partners, or major shareholders;
3. Persons who, within the immediately preceding 12 months, came within the provisions of number 1, and who:
 - a. Were employed in positions of substantial responsibility in the area of service to be performed by the contract; or
 - b. Participated in any way in developing the contract or its service specifications; and
4. Profit-making firms or businesses in which the former employees, described in number 3, serve as officers, principals, partners, or major shareholders.

Contracts submitted to the PAC for approval or ratification shall be accompanied by an assurance by the submitting department, district or agency that the provisions of this section have not been violated.

Contractor Name

Contractor Official Title

Authorized Official's Signature

Cert. of No Conflict of Interest

CONTRACTOR'S EEO CERTIFICATION

 Contractor Name

 Address

 Internal Revenue Service Employer Identification Number

GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S SPECIFIC CERTIFICATIONS

- | | | |
|--|------------------------------|-----------------------------|
| 1. The Contractor has a written policy statement prohibiting discrimination in all phases of employment. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2. The Contractor periodically conducts a self analysis or utilization analysis of its work force. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 3. The Contractor has a system for determining if its employment practices are discriminatory against protected groups. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 4. Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

 Authorized Official's Printed Name and Title

 Authorized Official's Signature

 Date

PAC'S ADMINISTRATION

CONTRACT NO. _____

PAC PROJECT DIRECTOR:

Name: Keith Knox
Title: Chief Deputy, Treasurer and Tax Collector
Address: 500 West Temple Street, Room 437
Los Angeles, CA 90012
Telephone: (213) 974-0703
Facsimile: (213) 626-1812
E-Mail Address: kknox@ttc.lacounty.gov

PAC PROJECT MANAGER:

Name: Teresa Gee
Title: Plan Administrator
Address: 500 West Temple Street, Room 432
Los Angeles, CA 90012
Telephone: (213) 974-2335
Facsimile: (213) 625-2249
E-Mail Address: tgee@ttc.lacounty.gov

CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S NAME: _____

CONTRACT NO: _____

CONTRACTOR'S PROJECT MANAGER:

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-Mail Address: _____

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-Mail Address: _____

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-Mail Address: _____

Notices to Contractor shall be sent to the following:

Name: _____

Title: _____

Address: _____

Telephone: _____

Facsimile: _____

E-Mail Address: _____

CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT**FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION**

Applicability of the forms below is based on the type of contract. A contract involving Information Technology (IT) services includes Copyright Assignment language whereas a non-IT Contract omits the Copyright Assignment language.

Additionally, a determination must be made whether the Contactor will complete a Confidentiality Agreement on behalf of its employees or whether the Contractor's employees and non-employees will complete the Confidentiality Agreements individually.

NON-IT CONTRACTS

G1 CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

OR

G2 CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

G3 CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

IT CONTRACTS

G1-IT CONTRACTOR ACKNOWLEDGEMENT, CONFIDENTIALITY, & COPYRIGHT ASSIGNMENT AGREEMENT

OR

G2-IT CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY, & COPYRIGHT ASSIGNMENT AGREEMENT

G3-IT CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY, & COPYRIGHT ASSIGNMENT AGREEMENT

CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

CONTRACTOR NAME _____ Contract No. _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires the Corporation to sign this Contractor Acknowledgement and Confidentiality Agreement.

CONTRACTOR ACKNOWLEDGEMENT:

Contractor understands and agrees that the Contractor employees, consultants, Outsourced Vendors and independent contractors (Contractor's Staff) that will provide services in the above referenced agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced contract.

Contractor understands and agrees that Contractor's Staff are not employees of the County of Los Angeles for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

CONFIDENTIALITY AGREEMENT:

Contractor and Contractor's Staff may be involved with work pertaining to services provided by the County of Los Angeles and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor and Contractor's Staff understand that if they are involved in County work, the County must ensure that Contractor and Contractor's Staff, will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by Contractor's Staff for the County.

Contractor and Contractor's Staff hereby agrees that they will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between Contractor and the County of Los Angeles. Contractor and Contractor's Staff agree to forward all requests for the release of any data or information received to County's Project Manager.

Contractor and Contractor's Staff agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to Contractor and Contractor's Staff under the above-referenced contract. Contractor and Contractor's Staff agree to protect these confidential materials against disclosure to other than Contractor or County employees who have a need to know the information. Contractor and Contractor's Staff agree that if proprietary information supplied by other County vendors is provided to me during this employment, Contractor and Contractor's Staff shall keep such information confidential.

Contractor and Contractor's Staff agree to report any and all violations of this agreement by Contractor and Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor and Contractor's Staff acknowledge that violation of this agreement may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

Contractor Name _____ Contract No. _____

Employee Name _____

GENERAL INFORMATION:

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement and Confidentiality Agreement.

EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

Contractor Name _____ Contract No. _____

Non-Employee Name _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Non-Employee Acknowledgement and Confidentiality Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

CONTRACTOR ACKNOWLEDGEMENT, CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

CONTRACTOR NAME _____ Contract No. _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires the Corporation to sign this Contractor Acknowledgement, Confidentiality, and Copyright Assignment Agreement.

CONTRACTOR ACKNOWLEDGEMENT:

Contractor understands and agrees that the Contractor employees, consultants, Outsourced Vendors and independent contractors (Contractor's Staff) that will provide services in the above referenced agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced contract.

Contractor understands and agrees that Contractor's Staff are not employees of the County of Los Angeles for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

CONFIDENTIALITY AGREEMENT:

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Contractor and Contractor's Staff hereby agrees that they will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between Contractor and the County of Los Angeles. Contractor and Contractor's Staff agree to forward all requests for the release of any data or information received to County's Project Manager.

Contractor and Contractor's Staff agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to Contractor and Contractor's Staff under the above-

CONTRACTOR ACKNOWLEDGEMENT, CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT

referenced contract. Contractor and Contractor's Staff agree to protect these confidential materials against disclosure to other than Contractor or County employees who have a need to know the information. Contractor and Contractor's Staff agree that if proprietary information supplied by other County vendors is provided to me during this employment, Contractor and Contractor's Staff shall keep such information confidential.

Contractor and Contractor's Staff agree to report any and all violations of this agreement by Contractor and Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor and Contractor's Staff acknowledge that violation of this agreement may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

COPYRIGHT ASSIGNMENT AGREEMENT

Contractor and Contractor's Staff agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by Contractor and Contractor's Staff in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, Contractor and Contractor's Staff hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, Contractor and Contractor's Staff agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County, and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit M1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

Contractor and Contractor's Staff acknowledge that violation of this agreement may subject them to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT

Page 1 of 2

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

Contractor Name _____ Contract No. _____

Employee Name _____

GENERAL INFORMATION:

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement, Confidentiality, and Copyright Assignment Agreement.

EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County, and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit M1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

**CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY,
AND COPYRIGHT ASSIGNMENT AGREEMENT**

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

Contractor Name _____ Contract No. _____

Non-Employee Name _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Non-Employee Acknowledgement, Confidentiality, and Copyright Assignment Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

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**CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT, CONFIDENTIALITY,
AND COPYRIGHT ASSIGNMENT AGREEMENT**

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County, and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit M1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.
- B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.
- C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:
 - 1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or
 - 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
 - 3. A purchase made through a state or federal contract; or
 - 4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision; or
 - 5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision; or
 - 6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision; or
 - 7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision; or
 - 8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:
1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or
 2. The contractor has a long-standing practice that defines the lesser number of hours as full time.
- E. "County" means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable. (Ord. 2002-0040 § 2, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

2.203.050 Other Provisions.

- A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.
- B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.070. Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.
- B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:
 - 1. Has ten or fewer employees during the contract period; and,
 - 2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
 - 3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

“Dominant in its field of operation” means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

“Affiliate or subsidiary of a business dominant in its field of operation” means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)

SAFELY SURRENDERED BABY LAW

Safely Surrendered



No shame. No blame. No names.

In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org



Safely Surrendered Baby Law

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a baby, let her know there are other options. For three days (72 hours) after birth, a baby can be surrendered to staff at any hospital or fire station in Los Angeles County.

A baby's story

Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center. The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a stamped return envelope and can be sent in at a later time.

What happens to the baby?

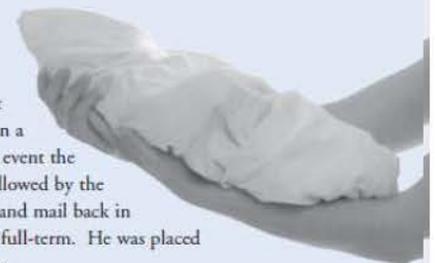
The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

What happens to the parent or surrendering adult?

Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The Safely Surrendered Baby Law prevents this tragedy from ever happening again in California.



Ley de Entrega de Bebés *Sin Peligro*



Los recién nacidos pueden ser entregados en forma segura al personal de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles

Sin pena. Sin culpa. Sin nombres.

En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org



EXHIBIT J

INFORMATION SECURITY AND PRIVACY REQUIREMENTS

This Attachment sets forth information security procedures to be established by Contractor before the effective date of the Contract and maintained throughout the Term of the Contract. These procedures are in addition to the requirements of the Contract and the Business Associate Agreement between the parties. They present a minimum standard only. However, it is Contractor's sole obligation to: (i) implement appropriate measures to secure its systems and data, including any of the foregoing that store, transmit, handle or interact in any way with County Confidential Information, including, but not limited to, Protected Health Information and Personal Data (collectively, "Personal Information"), against internal and external threats and risks; and (ii) continuously review and revise those measures to address ongoing threats and risks. Failure to comply with the minimum standards set forth in this Attachment 21 (Information Security and Privacy Requirements) will constitute a material, non-curable breach of the Contract by Contractor, entitling County, in addition to and cumulative of all other remedies available to it at law, in equity, or under the Contract, to immediately terminate the Contract. Unless specifically defined in this Attachment, capitalized terms shall have the meanings set forth in the Contract. County Confidential Information shall include Protected Health Information. Personal Data shall include "personal information" as defined in California Civil Code Section 1798.29(g).

1. **Security Policy.** Contractor shall establish and maintain a formal, documented, mandated, company-wide information security program, including security policies, standards and procedures (collectively "**Information Security Policy**"). The Information Security Policy will be communicated to all Contractor personnel and subcontractors in a relevant, accessible, and understandable form and will be regularly reviewed and evaluated to ensure its operational effectiveness, compliance with all applicable laws and regulations, and to address new threats and risks.
2. **Personnel and Contractor Protections.** Contractor shall screen and conduct background checks on all Contractor personnel and subcontractors for potential security risks and require all employees, contractors, and subcontractors to sign an appropriate written confidentiality/non-disclosure agreement. All agreements with third-parties involving access to Contractor's systems and data, including all outsourcing arrangements and maintenance and support agreements (including facilities maintenance), shall specifically address security risks, controls, and procedures for information systems. Contractor shall supply each of its Contractor personnel and subcontractors with appropriate, ongoing training regarding information security procedures, risks, and threats. Contractor shall have an established set of procedures to ensure Contractor personnel and subcontractors promptly report actual and/or suspected breaches of security.

3. **Removable Media.** Except in the context of Contractor's routine back-ups or as otherwise specifically authorized by County in writing, Contractor shall institute strict physical and logical security controls to prevent transfer of Personal Information to any form of Removable Media. For purposes of this Attachment 21 (Information Security and Privacy Requirements), "**Removable Media**" means portable or removable hard disks, floppy disks, USB memory drives, zip disks, optical disks, CDs, DVDs, digital film, digital cameras, memory cards (e.g., Secure Digital (SD), Memory Sticks (MS), CompactFlash (CF), SmartMedia (SM), MultiMediaCard (MMC), and xD-Picture Card (xD)), magnetic tape, and all other removable data storage media.
4. **Storage, Transmission, and Destruction of Personal Information.** All Personal Information shall be rendered unusable, unreadable, or indecipherable to unauthorized individuals in accordance with law, including, but not limited to, the California Civil Code section 1798 et seq. Without limiting the generality of the foregoing, Contractor shall encrypt (i.e., National Institute of Standards and Technology (NIST) Special Publication (SP) 800-111 Guide to Storage Encryption Technologies for End User Devices¹) all electronic Personal Information (stored and during transmission). If Personal Information is no longer required to be retained by Contractor under the Contract and applicable law, Contractor shall destroy such Personal Information by: (a) shredding or otherwise destroying paper, film, or other hard copy media so that the Personal Information cannot be read or otherwise cannot be reconstructed; and (b) clearing, purging, or destroying electronic media containing Personal Information consistent with NIST Special Publication 800-88, Guidelines for Media Sanitization² and US Department of Defense (DOD) 5220.22-M data sanitization and clearing directive³ such that the Personally Information cannot be retrieved.
5. **Data Control; Media Disposal and Servicing.** Subject to and without limiting the requirements under Section 4 (Storage, Transmission and Destruction of Personal), Information: (i) may only be made available and accessible to those parties explicitly authorized under the Contract or otherwise expressly approved by County in writing; (ii) if transferred across the Internet, any wireless network (e.g., cellular, 802.11x, or similar technology), or other public or shared networks, must be protected using industry standard encryption technology in accordance with the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-52 Guidelines for the Selection and use of Transport Layer Security Implementations⁴; and (iii) if transferred using Removable Media (as defined above) must be sent via a bonded courier or protected using industry standard encryption technology in accordance with NIST SP 800-111 Guide to Storage Encryption Technologies

¹ Available at <http://www.csrc.nist.gov/>

² Available at <http://www.csrc.nist.gov/>

³ Available at <http://www.dtic.mil/whs/directives/corres/pdf/522022MSup1.pdf>

⁴ Available at <http://www.csrc.nist.gov/>

for End User Devices⁵. The foregoing requirements shall apply to back-up data stored by Contractor at off-site facilities. In the event any hardware, storage media, or Removable Media must be disposed of or sent off-site for servicing, Contractor shall ensure all County Confidential Information, including Personal Information, has been cleared, purged, or scrubbed from such hardware and/or media using industry best practices in accordance with NIST SP 800-88, Guidelines for Media Sanitization⁶).

6. **Hardware Return.** Upon termination or expiration of the Contract or at any time upon County's request, Contractor will return all hardware, if any, provided by County containing County Confidential Information to County. The County Confidential Information shall not be removed or altered in any way. The hardware should be physically sealed and returned via a bonded courier or as otherwise directed by County. In the event the hardware containing County Confidential Information is owned by Contractor or a third-party, a notarized statement, detailing the destruction method used and the data sets involved, the date of destruction, and the company or individual who performed the destruction will be sent to a designated County security representative within fifteen (15) days of termination or expiration of the Contract or at any time upon County's request. Contractor's destruction or erasure of Personal Information pursuant to this Section shall be in compliance with industry Best Practices (e.g., NIST SP 800-88, Guidelines for Media Sanitization⁷).
7. **Physical and Environmental Security.** Contractor facilities that process any County information, including but not limited to County Confidential Information, will be housed in secure areas and protected by perimeter security such as barrier access controls (e.g., the use of guards and entry badges) that provide a physically secure environment from unauthorized access, damage, and interference.
8. **Communications and Operational Management.** Contractor shall: (i) monitor and manage all of its information processing facilities, including, without limitation, implementing operational procedures, change management and incident response procedures; and (ii) deploy adequate anti-malware software and adequate back-up facilities to ensure essential business information can be promptly recovered in the event of a disaster or media failure; and (iii) ensure its operating procedures will be adequately documented and designed to protect information, computer media, and data from theft and unauthorized access.

⁵ Available at <http://www.csrc.nist.gov/>

⁶ Available at <http://www.csrc.nist.gov/>

⁷ Available at <http://www.csrc.nist.gov/>

9. **Access Control.** Contractor shall implement formal procedures to control access to its systems, services, and data, including, but not limited to, user account management procedures and the following controls:
- a. Network access to both internal and external networked services shall be controlled, including, but not limited to, the use of properly configured firewalls;
 - b. Operating systems will be used to enforce access controls to computer resources including, but not limited to, authentication, authorization, and event logging;
 - c. Applications will include access control to limit user access to information and application system functions; and
 - d. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. Contractor shall record, review and act upon all events in accordance with incident response policies set forth below.
10. **IT Infrastructure Protection.** Contractor must take all necessary precautions to detect and prevent the introduction of malicious code and suspicious activity within its IT infrastructure. Contractor must: (a) implement intrusion detection/prevention and anti-malware capabilities for its logical perimeter, Local Area Network (LAN), servers, mail servers, PCs, mobile devices and other devices that store, process and/or transmit County Confidential Information; (b) establish an appropriate blocking strategy on the network perimeter; (c) implement technical and administrative processes and controls to ensure that staff do not access external Internet email accounts or non-business related website from the Contractor network; and (d) implement filtering capability for blocking access to Internet sites that are deemed to be non-business related or present an information security risk.
11. **Security Incident.** A "Security Incident" shall have the meaning given to such term in 45 C.F.R. § 164.304.
- a. Contractor will promptly notify (but in no event more than twenty-four (24) hours after the detection of a Security Incident) the designated County security contact by telephone and subsequently via written letter of any potential or actual security attacks or Security Incidents.
 - b. The notice shall include the approximate date and time of the occurrence and a summary of the relevant facts, including a description of measures being taken to address the occurrence. A Security Incident includes instances in which internal personnel access systems in excess of their user rights or use the systems inappropriately.

- c. Contractor will provide a monthly report of all Security Incidents noting the actions taken. This will be provided via a written letter to the County security representative on or before the first (1st) week of each calendar month. County or its third-party designee may, but is not obligated, perform audits and security tests of Contractor's environment that may include, but are not limited to, interviews of relevant personnel, review of documentation, or technical inspection of systems, as they relate to the receipt, maintenance, use, retention, and authorized destruction of County Confidential Information.
 - d. In the event County desires to conduct an unannounced penetration test, County shall provide contemporaneous notice to Contractor's Vice President of Audit, or such equivalent position. Any of County's regulators shall have the same right upon request. Contractor shall provide all information reasonably requested by County in connection with any such audits and shall provide reasonable access and assistance to County or its regulators upon request. Contractor agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes. County reserves the right to view, upon request, any original security reports that Contractor has undertaken on its behalf to assess Contractor's own network security. If requested, copies of these reports will be sent via bonded courier to the County security contact. Contractor will notify County of any new assessments.
12. **Contractor Self Audit.** Contractor will provide to County a summary of: (1) the results of any security audits, security reviews, or other relevant audits listed below, conducted by Contractor or a third-party when applicable; and (2) the corrective actions or modifications, if any, Contractor will implement in response to such audits. Relevant audits conducted by Contractor as of the effective date of the Contract shall include:
- a. ISO 27001:2013 (Information Security Management) – Contractor-Wide. A full recertification is conducted every year.
 - (i) **External Audit** – Audit conducted by non-Contractor personnel, to assess Contractor's level of compliance to applicable regulations, standards, and contractual requirements.
 - (ii) **Internal Audit** – Audit conducted by qualified Contractor Personnel (or contracted designee) not responsible for the area of review, of Contractor organizations, operations, processes, and procedures, to assess compliance to and effectiveness of Contractor's Quality System ("**CQS**") in support of applicable regulations, standards, and requirements.

- (iii) **Supplier Audit** – Quality audit conducted by qualified Contractor Personnel (or contracted designee) of product and service suppliers contracted by Contractor for internal or Contractor client use.
 - (iv) **Detailed findings**- If not published externally, a summary of the report findings, and corrective actions, if any, will be made available to County as provided above and the ISO certificate is published on _____, Contractor's website.
- b. SSAE-16 – As to Hosting Services, if any, or use of any remote servers (e.g. cloud storage, software-as-a-service or SaaS) by Contractor:
- (i) Audit with spans of a full twelve (12) months of operation and produced every six (6) months (end of June, end of December)
 - (ii) Resulting detailed report made available to County.

If detailed findings are not published externally, a summary of the report findings, and corrective actions, if any, will be made available to County as provided above.

13. **Security Audits.** In addition to the audits described in Section 11 (Contractor Self Audit), during the Term of this Contract, County or its third-party designee may annually, or more frequently as agreed in writing by the parties, request a security audit (e.g., attestation of security controls) of Contractor's data center and systems. The audit will take place at a time mutually agreed to by the parties, but in no event on a date more than thirty (30) days from the date of the request by County. County's request for security audit will specify the areas (e.g., Administrative, Physical and Technical) that are subject to the audit and may include but not limited to physical controls inspection, process reviews, policy reviews evidence of external and internal vulnerability scans, penetration tests results, evidence of code reviews, and evidence of system configuration and audit log reviews. County shall pay for all third-party costs associated with the audit. It is understood that summary data of the results may filtered to remove the specific information of other Contractor customers such as IP address, server names, etc. Contractor shall cooperate with County in the development of the scope and methodology for the audit, and the timing and implementation of the audit. Any of the County's regulators shall have the same right upon request, to request an audit as described above. Contractor agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes.

14. **Confidentiality.** The following shall supplement Section 7.7 (Confidentiality) of the Contract.

- a. **Non-Exclusive Equitable Remedy.** Contractor acknowledges and agrees that due to the unique nature of County Confidential Information there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach or threatened breach may result in irreparable harm to County, and therefore, that upon any such breach or any threat thereof, County will be entitled to appropriate

equitable remedies, and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies either of them might have at law or equity.

- b. **Compelled Disclosures.** To the extent required by applicable law or by lawful order or requirement of a court or governmental authority having competent jurisdiction over the Contractor, the Contractor may disclose County Confidential Information in accordance with such law or order or requirement, subject to the following conditions: as soon as possible after becoming aware of such law, order, or requirement and prior to disclosing County Confidential Information pursuant thereto, the Contractor will so notify the County in writing and, if possible, the Contractor will provide the County notice not less than five (5) days prior to the required disclosure. The Contractor will use reasonable efforts not to release County Confidential Information pending the outcome of any measures taken by the County to contest, otherwise oppose, or seek to limit such disclosure by the Contractor and any subsequent disclosure or use of County Confidential Information that may result from such disclosure. The Contractor will cooperate with and provide assistance to the County regarding such measures. Notwithstanding any such compelled disclosure by the Contractor, such compelled disclosure will not otherwise affect the Contractor's obligations hereunder with respect to County Confidential Information so disclosed.
- c. **County Data.** All County Confidential Information shall be and remain the property of County and County shall retain exclusive rights and ownership thereto. County Confidential Information shall not be used by Contractor for any purpose other than as required under the Contract, nor shall such data or any part of such data be disclosed, sold, assigned, leased, or otherwise disposed of to third-parties by Contractor or commercially exploited or otherwise used by or on behalf of Contractor, its officers, directors, employees, or agents.
- d. **Return of Confidential Information.** On County's written request or upon expiration or termination of this Contract for any reason, Contractor will promptly: (a) return or destroy, at County's option, all originals and copies of all documents and materials it has received containing County Confidential Information; (b) if return or destruction is not permissible under applicable law, continue to protect such information in accordance with the terms of this Contract; and (c) deliver or destroy, at County's option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by Contractor, prepared under its direction, or at its request, from the County Confidential Information,

and provide a notarized written statement to County certifying that all such County Confidential Information has been delivered to County or destroyed, as requested by County.

COUNTY OF LOS ANGELES
DEFERRED COMPENSATION AND THRIFT PLAN
STABLE INCOME INVESTMENT POLICY STATEMENT

(See APPENDIX B-1)

STABLE INCOME FUND

DISCRETIONARY AND INVESTMENT MANAGERS

(Not attached to Sample Contract)

APPENDIX D

REQUIRED FORMS

FOR

REQUEST FOR PROPOSALS (RFP)

APPENDIX D TABLE OF CONTENTS REQUIRED FORMS

EXHIBITS

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- 2 PROSPECTIVE CONTRACTOR REFERENCES
- 3 PROSPECTIVE CONTRACTOR LIST OF CONTRACTS
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- 6 FAMILIARITY WITH THE COUNTY LOBBYIST ORDINANCE CERT
- 7 REQUEST FOR LOCAL SBE PREFERENCE PROGRAM CONSIDERATION AND CBE FIRM/ORGANIZATION INFORMATION FORM (Two forms are available)
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- 11 PRICING SCHEDULE
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- 13 CERTIFICATION OF COMPLIANCE WITH THE COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

DISABLED VETERANS BUSINESS ENTERPRISE PREFERENCE PROGRAM

- 14 REQUEST FOR DISABLED VETERAN BUSINESS ENTERPRISE PREFERENCE PROGRAM CONSIDERATION

REQUIRED FORMS - EXHIBIT 1

PROPOSER'S ORGANIZATION QUESTIONNAIRE/AFFIDAVIT

Please complete, date and sign this form and place it as the first page of your proposal. The person signing the form must be authorized to sign on behalf of the Proposer and to bind the applicant in a Contract.

1. If your firm is a corporation or limited liability company (LLC), state its legal name (as found in your Articles of Incorporation) and State of incorporation:

Name	State	Year Inc.
------	-------	-----------

2. If your firm is a limited partnership or a sole proprietorship, state the name of the proprietor or managing partner:

3. If your firm is doing business under one or more DBA's, please list all DBA's and the County(s) of registration:

Name	County of Registration	Year became DBA
_____	_____	_____
_____	_____	_____

4. Is your firm wholly or majority owned by, or a subsidiary of, another firm? ____ If yes,

Name of parent firm: _____

State of incorporation or registration of parent firm: _____

5. Please list any other names your firm has done business as within the last five (5) years.

Name	Year of Name Change
_____	_____
_____	_____

6. Indicate if your firm is involved in any pending acquisition/merger, including the associated company name. If not applicable, so indicate below.

Proposer acknowledges and certifies that it meets and will comply with the Minimum Mandatory Qualifications as stated in Paragraph 3.0, of this Request for Proposal, as listed below.

(list each minimum mandatory qualification)

Check the appropriate boxes:

Yes No _____ years experience, within the last ____ years

Proposer further acknowledges that if any false, misleading, incomplete, or deceptively unresponsive statements in connection with this proposal are made, the proposal may be rejected. The evaluation and determination in this area shall be at the Director’s sole judgment and his/her judgment shall be final.

Proposer’s Name:

Address:

E-mail address: _____ Telephone number: _____

Fax number: _____

On behalf of _____ (Proposer’s name), I _____ (Name of Proposer’s authorized representative), certify that the information contained in this Proposer’s Organization Questionnaire/Affidavit is true and correct to the best of my information and belief.

Signature

Internal Revenue Service
Employer Identification Number

Title

California Business License Number

Date

County WebVen Number

REQUIRED FORMS - EXHIBIT 2
PROSPECTIVE CONTRACTOR REFERENCES

Contractor's Name: _____

List Five (5) References where the same or similar scope of services were provided in order to meet the Minimum Requirements stated in this solicitation.

1. Name of Firm	Address of Firm	Contact Person	Telephone # ()	Fax # ()
Name or Contract No.	# of Years / Term of Contract		Type of Service	Dollar Amt.
2. Name of Firm	Address of Firm	Contact Person	Telephone # ()	Fax # ()
Name or Contract No.	# of Years / Term of Contract		Type of Service	Dollar Amt.
3. Name of Firm	Address of Firm	Contact Person	Telephone # ()	Fax # ()
Name or Contract No.	# of Years / Term of Contract		Type of Service	Dollar Amt.
4. Name of Firm	Address of Firm	Contact Person	Telephone # ()	Fax # ()
Name or Contract No.	# of Years / Term of Contract		Type of Service	Dollar Amt.
5. Name of Firm	Address of Firm	Contact Person	Telephone # ()	Fax # ()
Name or Contract No.	# of Years / Term of Contract		Type of Service	Dollar Amt.

REQUIRED FORMS - EXHIBIT 3
PROSPECTIVE CONTRACTOR LIST OF CONTRACTS

Contractor's Name: _____

List of all public entities for which the Contractor has provided service within the last three (3) years. Use additional sheets if necessary.

1. Name of Firm	Address of Firm	Contact Person	Telephone # ()	Fax # ()
Name or Contract No.	# of Years / Term of Contract		Type of Service	Dollar Amt.
2. Name of Firm	Address of Firm	Contact Person	Telephone # ()	Fax # ()
Name or Contract No.	# of Years / Term of Contract		Type of Service	Dollar Amt.
3. Name of Firm	Address of Firm	Contact Person	Telephone # ()	Fax # ()
Name or Contract No.	# of Years / Term of Contract		Type of Service	Dollar Amt.
4. Name of Firm	Address of Firm	Contact Person	Telephone # ()	Fax # ()
Name or Contract No.	# of Years / Term of Contract		Type of Service	Dollar Amt.
5. Name of Firm	Address of Firm	Contact Person	Telephone # ()	Fax # ()
Name or Contract No.	# of Years / Term of Contract		Type of Service	Dollar Amt.

REQUIRED FORMS - EXHIBIT 4
PROSPECTIVE CONTRACTOR LIST OF TERMINATED CONTRACTS

Contractor's Name: _____

List of all contracts that have been terminated within the past three (3) years.

1. Name of Firm	Address of Firm	Contact Person	Telephone # ()	Fax # ()
Name or Contract No.		Reason for Termination:		
2. Name of Firm	Address of Firm	Contact Person	Telephone # ()	Fax # ()
Name or Contract No.		Reason for Termination:		
3. Name of Firm	Address of Firm	Contact Person	Telephone # ()	Fax # ()
Name or Contract No.		Reason for Termination:		
4. Name of Firm	Address of Firm	Contact Person	Telephone # ()	Fax # ()
Name or Contract No.		Reason for Termination:		

REQUIRED FORMS - EXHIBIT 5
CERTIFICATION OF NO CONFLICT OF INTEREST

The Los Angeles County Code, Section 2.180.010, provides as follows:

CONTRACTS PROHIBITED

Notwithstanding any other section of this Code, the County shall not contract with, and shall reject any proposals submitted by, the persons or entities specified below, unless the Board of Supervisors finds that special circumstances exist which justify the approval of such contract:

1. Employees of the County or of public agencies for which the Board of Supervisors is the governing body;
2. Profit-making firms or businesses in which employees described in number 1 serve as officers, principals, partners, or major shareholders;
3. Persons who, within the immediately preceding 12 months, came within the provisions of number 1, and who:
 - a. Were employed in positions of substantial responsibility in the area of service to be performed by the contract; or
 - b. Participated in any way in developing the contract or its service specifications; and
4. Profit-making firms or businesses in which the former employees, described in number 3, serve as officers, principals, partners, or major shareholders.

Contracts submitted to the Board of Supervisors for approval or ratification shall be accompanied by an assurance by the submitting department, district or agency that the provisions of this section have not been violated.

Proposer Name

Proposer Official Title

Official's Signature

Cert. of No Conflict of Interest

REQUIRED FORMS - EXHIBIT 6

FAMILIARITY WITH THE COUNTY LOBBYIST ORDINANCE CERTIFICATION

The Proposer certifies that:

- 1) it is familiar with the terms of the County of Los Angeles Lobbyist Ordinance, Los Angeles Code Chapter 2.160;
- 2) that all persons acting on behalf of the Proposer organization have and will comply with it during the proposal process; and
- 3) it is not on the County's Executive Office's List of Terminated Registered Lobbyists.

Signature: _____ Date: _____

REQUIRED FORMS - EXHIBIT 7

Use this form for County Solicitations which **are not** subject to the Federal Restriction

**Request for Local SBE Preference Program Consideration and
CBE Firm/Organization Information Form**

INSTRUCTIONS: All proposers/bidders responding to this solicitation must complete and return this form for proper consideration of the proposal/bid.

I. LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM:

FIRM NAME: _____
COUNTY VENDOR NUMBER: _____

- As a Local SBE, certified by the County of Los Angeles, Department of Consumer and Business Affairs, I request this proposal/bid be considered for the Local SBE Preference.
- Attached is my Local SBE Certification letter issued by the County

II. FIRM/ORGANIZATION INFORMATION: The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation or disability.

Business Structure: Sole Proprietorship Partnership Corporation Non-Profit Franchise
 Other (Please Specify) _____

Total Number of Employees (including owners): _____

Race/Ethnic Composition of Firm. Please distribute the above total number of individuals into the following categories:

Race/Ethnic Composition	Owners/Partners/ Associate Partners		Managers		Staff	
	Male	Female	Male	Female	Male	Female
Black/African American						
Hispanic/Latino						
Asian or Pacific Islander						
American Indian						
Filipino						
White						

III. PERCENTAGE OF OWNERSHIP IN FIRM: Please indicate by percentage (%) how ownership of the firm is distributed.

	Black/African American	Hispanic/Latino	Asian or Pacific Islander	American Indian	Filipino	White
Men	%	%	%	%	%	%
Women	%	%	%	%	%	%

IV. CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, AND DISABLED VETERAN BUSINESS ENTERPRISES:

If your firm is currently certified as a minority, women, disadvantaged or disabled veteran owned business enterprise by a public agency, complete the following and attach a copy of your proof of certification. (Use back of form, if necessary.)

Agency Name	Minority	Women	Dis- advantaged	Disabled Veteran	Expiration Date

V. DECLARATION: I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE.

Print Authorized Name	Authorized Signature	Title	Date
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REQUIRED FORMS - EXHIBIT 7

Use this form for County Solicitations which **are** subject to the Federal Restriction

**Request for Local SBE Preference Program Consideration and
CBE Firm/Organization Information Form**

INSTRUCTIONS: All proposers/bidders responding to this solicitation must complete and return this form for proper consideration of the proposal/bid.

I. LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM:

FIRM NAME: _____

CAGE CODE: _____ **NAICS CODE:** _____

- As a business registered as 'Small' on the federal Central Contractor Registration (CCR) data base, I request this proposal/bid be considered for the Local SBE Preference.
- The NAICS Code shown corresponds to the services in this solicitation.
- Attached is my CCR certification page.

II. FIRM/ORGANIZATION INFORMATION: The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation or disability.

Business Structure: Sole Proprietorship Partnership Corporation Non-Profit Franchise
 Other (Please Specify) _____

Total Number of Employees (including owners): _____

Race/Ethnic Composition of Firm. Please distribute the above total number of individuals into the following categories:

Race/Ethnic Composition	Owners/Partners/ Associate Partners		Managers		Staff	
	Male	Female	Male	Female	Male	Female
Black/African American						
Hispanic/Latino						
Asian or Pacific Islander						
American Indian						
Filipino						
White						

III. PERCENTAGE OF OWNERSHIP IN FIRM: Please indicate by percentage (%) how ownership of the firm is distributed.

	Black/African American	Hispanic/Latino	Asian or Pacific Islander	American Indian	Filipino	White
Men	%	%	%	%	%	%
Women	%	%	%	%	%	%

IV. CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, AND DISABLED VETERAN BUSINESS ENTERPRISES: *If your firm is currently certified as a minority, women, disadvantaged or disabled veteran owned business enterprise by a public agency, complete the following and attach a copy of your proof of certification. (Use back of form, if necessary.)*

Agency Name	Minority	Women	Dis-advantaged	Disabled Veteran	Expiration Date

V. DECLARATION: I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE.

Print Authorized Name	Authorized Signature	Title	Date

REQUIRED FORMS - EXHIBIT 8
PROPOSER'S EEO CERTIFICATION

Company Name

Address

Internal Revenue Service Employer Identification Number

GENERAL

In accordance with provisions of the County Code of the County of Los Angeles, the Proposer certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CERTIFICATION	YES	NO
1. Proposer has written policy statement prohibiting discrimination in all phases of employment.	()	()
2. Proposer periodically conducts a self-analysis or utilization analysis of its work force.	()	()
3. Proposer has a system for determining if its employment practices are discriminatory against protected groups.	()	()
4. When problem areas are identified in employment practices, Proposer has a system for taking reasonable corrective action to include establishment of goal and/or timetables.	()	()

Signature

Date

Name and Title of Signer (please print)

REQUIRED FORMS - EXHIBIT 9
ATTESTATION OF WILLINGNESS TO CONSIDER
GAIN/GROW PARTICIPANTS

As a threshold requirement for consideration for contract award, Proposer shall demonstrate a proven record for hiring GAIN/GROW participants or shall attest to a willingness to consider GAIN/GROW participants for any future employment opening if they meet the minimum qualifications for that opening. Additionally, Proposer shall attest to a willingness to provide employed GAIN/GROW participants access to the Proposer's employee mentoring program, if available, to assist these individuals in obtaining permanent employment and/or promotional opportunities.

To report all job openings with job requirements to obtain qualified GAIN/GROW participants as potential employment candidates, Contractor shall email: GAINGROW@dpss.lacounty.gov.

Proposers unable to meet this requirement shall not be considered for contract award.

Proposer shall complete all of the following information, sign where indicated below, and return this form with their proposal.

A. Proposer has a proven record of hiring GAIN/GROW participants.

_____ YES (subject to verification by County) _____ NO

B. Proposer is willing to provide DPSS with all job openings and job requirements to consider GAIN/GROW participants for any future employment openings if the GAIN/GROW participant meets the minimum qualifications for the opening. "Consider" means that Proposer is willing to interview qualified GAIN/GROW participants.

_____ YES _____ NO

C. Proposer is willing to provide employed GAIN/GROW participants access to its employee-mentoring program, if available.

_____ YES _____ NO _____ N/A (Program not available)

Proposer's Organization: _____

Signature: _____

Print Name: _____

Title: _____ Date: _____

Telephone No: _____ Fax No: _____

REQUIRED FORMS - EXHIBIT 10

**COUNTY OF LOS ANGELES CONTRACTOR EMPLOYEE JURY SERVICE PROGRAM
CERTIFICATION FORM AND APPLICATION FOR EXCEPTION**

The County’s solicitation for this Request for Proposals is subject to the County of Los Angeles Contractor Employee Jury Service Program (Program), Los Angeles County Code, Chapter 2.203. All proposers, whether a contractor or subcontractor, must complete this form to either certify compliance or request an exception from the Program requirements. Upon review of the submitted form, the County department will determine, in its sole discretion, whether the proposer is excepted from the Program.

Company Name:		
Company Address:		
City:	State:	Zip Code:
Telephone Number:		
Solicitation For _____ Services:		

If you believe the Jury Service Program does not apply to your business, check the appropriate box in Part I (attach documentation to support your claim); or, complete Part II to certify compliance with the Program. Whether you complete Part I or Part II, please sign and date this form below.

Part I: Jury Service Program is Not Applicable to My Business

- My business does not meet the definition of “contractor,” as defined in the Program, as it has not received an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts (this exception is not available if the contract itself will exceed \$50,000). I understand that the exception will be lost and I must comply with the Program if my revenues from the County exceed an aggregate sum of \$50,000 in any 12-month period.
 - My business is a small business as defined in the Program. It 1) has ten or fewer employees; and, 2) has annual gross revenues in the preceding twelve months which, if added to the annual amount of this contract, are \$500,000 or less; and, 3) is not an affiliate or subsidiary of a business dominant in its field of operation, as defined below. I understand that the exception will be lost and I must comply with the Program if the number of employees in my business and my gross annual revenues exceed the above limits.
- “**Dominant in its field of operation**” means having more than ten employees and annual gross revenues in the preceding twelve months, which, if added to the annual amount of the contract awarded, exceed \$500,000.
- “**Affiliate or subsidiary of a business dominant in its field of operation**” means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.
- My business is subject to a Collective Bargaining Agreement (attach agreement) that expressly provides that it supersedes all provisions of the Program.

OR

Part II: Certification of Compliance

- My business has and adheres to a written policy that provides, on an annual basis, no less than five days of regular pay for actual jury service for full-time employees of the business who are also California residents, or my company will have and adhere to such a policy prior to award of the contract.

I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.

Print Name:	Title:
Signature:	Date:

**REQUIRED FORMS - EXHIBIT 11
PRICING SCHEDULE
STABLE FUND CONSULTING SERVICES**

STATEMENT OF WORK (SOW) – Items (1) Annual Review and Update of the Stable Fund Investment Policy, (2) Periodic Review of the Stable Funds’ Performance and Structure, (3) Update on Stable Value Industry, (4) Stable Fund Advisory Services, and (5) Optional Services.

I. SERVICES FOR ITEMS (1), (2), (3), AND (4)

la. ANNUAL FLAT FEE FOR SOW ITEMS (1), (2), (3), AND (4)

(Includes fees for all services set forth in the Contract and Exhibits, including but not limited to those services described in the Statement of Work, excluding optional services).

<u>Horizons Plan</u>	<u>Savings Plan</u>	<u>Pension Savings Plan</u>
\$ _____	\$ _____	\$ _____

lb. DISCOUNTED ANNUAL FLAT FEE FOR SOW ITEMS (1), (2), (3), AND (4) IF CONTRACTOR PROVIDES SERVICES TO ALL PLANS:

(Includes fees for all services set forth in the Contract and Exhibits, including but not limited to those services described in the Statement of Work, excluding optional services).

<u>Horizons Plan</u>	<u>Savings Plan</u>	<u>Pension Savings Plan</u>	<u>Total Discounted Flat Fee for All Plans</u>
\$ _____	+ \$ _____	+ \$ _____	= \$ _____

II. OPTIONAL SERVICES FOR ITEM (5):

	Flat Fee Shared Across All Plans (Per Search)
1. Search to Replace Discretionary Manager or Cash Manager (costs to be shared with Plans based on Plan asset level)	\$ _____
2. Review of Alternative Investment Strategies and Report for Pension Savings Plan	Flat Fee for Pension Savings Plan \$ _____
3. Investment Manager Search and Selection Arising Out of Optional Services #2 for Pension Savings Plan	Flat Fee for Pension Savings Plan \$ _____

NOTE: Proposer hereby offers to perform the services, the scope of which is set forth in the Contract and Exhibits, including but not limited to those services described in the Statement of Work, and agrees that this offer shall remain irrevocable up to and including 300 days following the RFP submission due date stated in the RFP.

REQUIRED FORMS - EXHIBIT 12

**CERTIFICATION OF INDEPENDENT PRICE DETERMINATION
AND ACKNOWLEDGEMENT OF RFP RESTRICTIONS**

- A. By submission of this Proposal, Proposer certifies that the prices quoted herein have been arrived at independently without consultation, communication, or agreement with any other Proposer or competitor for the purpose of restricting competition.
- B. List all names and telephone number of person legally authorized to commit the Proposer.

NAME

PHONE NUMBER

_____	_____
_____	_____
_____	_____

NOTE: Persons signing on behalf of the Contractor will be required to warrant that they are authorized to bind the Contractor.

- C. List names of all joint ventures, partners, subcontractors, or others having any right or interest in this contract or the proceeds thereof. If not applicable, state "NONE".

- D. Proposer acknowledges that it has not participated as a consultant in the development, preparation, or selection process associated with this RFP. Proposer understands that if it is determined by the County that the Proposer did participate as a consultant in this RFP process, the County shall reject this proposal.

Name of Firm

Print Name of Signer

Title

Signature

Date

REQUIRED FORMS EXHIBIT 13

CERTIFICATION OF COMPLIANCE WITH THE COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Company Name:		
Company Address:		
City:	State:	Zip Code:
Telephone Number:	Email address:	
Solicitation/Contract For _____ Services:		

The Proposer/Bidder/Contractor certifies that:

- It is familiar with the terms of the County of Los Angeles Defaulted Property Tax Reduction Program, Los Angeles County Code Chapter 2.206; **AND**

To the best of its knowledge, after a reasonable inquiry, the Proposer/Bidder/Contractor is not in default, as that term is defined in Los Angeles County Code Section 2.206.020.E, on any Los Angeles County property tax obligation; **AND**

The Proposer/Bidder/Contractor agrees to comply with the County's Defaulted Property Tax Reduction Program during the term of any awarded contract.

- OR -

- I am exempt from the County of Los Angeles Defaulted Property Tax Reduction Program, pursuant to Los Angeles County Code Section 2.206.060, for the following reason:

I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.

Print Name:	Title:
Signature:	Date:

Date: _____

REQUIRED FORMS EXHIBIT 14

REQUEST FOR DISABLED VETERANS BUSINESS ENTERPRISE PREFERENCE PROGRAM CONSIDERATION

In evaluating bids/proposals, the County will give preference to businesses that are certified by the State of California as a Disabled Veteran Business Enterprise (DVBE) or by the Department of Veterans as a Service Disabled Veteran Owned Small Business (SDVOSB) consistent with Chapter 2.211 of the Los Angeles County Code.

Vendor understands that in no instance shall the disabled veteran business enterprise preference program price or scoring preference be combined with any other County preference program to exceed eight percent (8%) in response to any County solicitation.

Information about the State's Disabled Veteran Business Enterprise certification regulations is in the California Code of Regulations, Title 2, Subchapter 8, Section 1896 et seq., and is also available on the California Department of General Services Office of Disabled Veteran Business Certification and Resources Website at <http://www.pd.dgs.ca.gov/>

Information on the Veteran Affairs Disabled Business Enterprise certification regulations may be found in the Code of Federal Regulations, 38CFR 74 and is also available on the Veterans Affairs Website at: <http://www.vetbiz.gov/>

- I AM NOT** a Disabled Veteran Business Enterprise certified by the State of California or a Service Disabled Veteran Owned Small Business with the Department of Veteran Affairs.
- I AM** certified as a Disabled Veteran Enterprise with the State of California or a Service Disabled Veteran Owned Small Business with the Department of Veteran Affairs as of the date of this proposal/bid submission and I request this proposal be considered for the DVBE Preference.

DECLARATION: I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE.

Name of Firm	County Webven No.
Print Name:	Title:
Signature:	Date:

<i>SIGNATURE OF REVIEWER</i>	<i>APPROVED</i>	<i>DISAPPROVED</i>	<i>DATE</i>

**REQUIRED FORMS - EXHIBIT 15
TRANSITIONAL JOB OPPORTUNITIES PREFERENCE APPLICATION**

COMPANY NAME:		
COMPANY ADDRESS:		
CITY:	STATE:	ZIP CODE:

I hereby certify that I meet all the requirements for this program:

- My business is a non-profit corporation qualified under Internal Revenue Services Code - Section 501(c)(3) and has been such for 3 years (*attach IRS Determination Letter*);
- I have submitted my three most recent annual tax returns with my application;
- I have been in operation for at least one year providing transitional job and related supportive services to program participants; and
- I have submitted a profile of our program; including a description of its components designed to help the program participants, number of past program participants and any other information requested by the contracting department.

I declare under penalty of perjury under the laws of the State of California that the information herein is true and correct.

PRINT NAME:	TITLE:
SIGNATURE:	DATE:

REVIEWED BY COUNTY:

SIGNATURE OF REVIEWER	APPROVED	DISAPPROVED	DATE

REQUEST FOR PROPOSALS (RFP) TRANSMITTAL TO REQUEST A SOLICITATION REQUIREMENTS REVIEW

A Solicitation Requirements Review must be received by the County
within 10 business days of issuance of the solicitation document

Proposer Name:	Date of Request:
Project Title:	Project No.

A **Solicitation Requirements Review** is being requested because the Proposer asserts that they are being unfairly disadvantaged for the following reason(s): *(check all that apply)*

- Application of **Minimum Requirements**
- Application of **Evaluation Criteria**
- Application of **Business Requirements**
- Due to **unclear instructions**, the process may result in the County not receiving the best possible responses

I understand that this request must be received by the County within **10 business days** of issuance of the solicitation document.

For each area contested, Proposer must explain in detail the factual reasons for the requested review. *(Attach additional pages and supporting documentation as necessary.)*

Request submitted by:

(Name)

(Title)

For County use only

Date Transmittal Received by County: _____ Date Solicitation Released: _____

Reviewed by: _____

Results of Review - Comments:

Date Response sent to Proposer: _____

COUNTY OF LOS ANGELES POLICY ON DOING BUSINESS WITH SMALL BUSINESS

Forty-two percent of businesses in Los Angeles County have five or fewer employees. Only about four percent of businesses in the area exceed 100 employees. According to the Los Angeles Times and local economists, it is not large corporations, but these small companies that are generating new jobs and helping move Los Angeles County out of its worst recession in decades.

WE RECOGNIZE. . . .

The importance of small business to the County. . .

- in fueling local economic growth
- providing new jobs
- creating new local tax revenues
- offering new entrepreneurial opportunity to those historically under-represented in business

The County can play a positive role in helping small business grow. . .

- as a multi-billion dollar purchaser of goods and services
- as a broker of intergovernmental cooperation among numerous local jurisdictions
- by greater outreach in providing information and training
- by simplifying the bid/proposal process
- by maintaining selection criteria which are fair to all
- by streamlining the payment process

WE THEREFORE SHALL:

1. Constantly seek to streamline and simplify our processes for selecting our vendors and for conducting business with them.
2. Maintain a strong outreach program, fully-coordinated among our departments and districts, as well as other participating governments to: a) inform and assist the local business community in competing to provide goods and services; b) provide for ongoing dialogue with and involvement by the business community in implementing this policy.
3. Continually review and revise how we package and advertise solicitations, evaluate and select prospective vendors, address subcontracting and conduct business with our vendors, in order to: a) expand opportunity for small business to compete for our business; and b) to further opportunities for all businesses to compete regardless of size.
4. Insure that staff who manage and carry out the business of purchasing goods and services are well trained, capable and highly motivated to carry out the letter and spirit of this policy.

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.
- B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.
- C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:
 - 1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or
 - 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
 - 3. A purchase made through a state or federal contract; or
 - 4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision; or
 - 5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision; or
 - 6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision; or
 - 7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision; or
 - 8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:
1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or
 2. The contractor has a long-standing practice that defines the lesser number of hours as full time.
- E. "County" means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable. (Ord. 2002-0040 § 2, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

2.203.050 Other Provisions.

- A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.
- B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.070. Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.
- B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:
 - 1. Has ten or fewer employees during the contract period; and,
 - 2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
 - 3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

“Dominant in its field of operation” means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

“Affiliate or subsidiary of a business dominant in its field of operation” means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)

LISTING OF CONTRACTORS DEBARRED IN LOS ANGELES COUNTY

List of Debarred Contractors in Los Angeles County may be obtained by going to the following website.

<http://doingbusiness.lacounty.gov/DebarmentList.htm>

IRS NOTICE 1015

Latest version is available from IRS website at
<http://www.irs.gov/pub/irs-pdf/n1015.pdf>



Department of the Treasury
Internal Revenue Service

Notice 1015

(Rev. December 2013)

Have You Told Your Employees About the Earned Income Credit (EIC)?

What is the EIC?

The EIC is a refundable tax credit for certain workers.

Which Employees Must I Notify About the EIC?

You must notify each employee who worked for you at any time during the year and from whom you did not withhold income tax. However, you do not have to notify any employee who claimed exemption from withholding on Form W-4, Employee's Withholding Allowance Certificate.

Note. You are encouraged to notify each employee whose wages for 2013 are less than \$51,567 that he or she may be eligible for the EIC.

How and When Must I Notify My Employees?

You must give the employee one of the following:

- The IRS Form W-2, Wage and Tax Statement, which has the required information about the EIC on the back of Copy B.
- A substitute Form W-2 with the same EIC information on the back of the employee's copy that is on Copy B of the IRS Form W-2.
- Notice 797, Possible Federal Tax Refund Due to the Earned Income Credit (EIC).
- Your written statement with the same wording as Notice 797.

If you are required to give Form W-2 and do so on time, no further notice is necessary if the Form W-2 has the required information about the EIC on the back of the employee's copy. If a substitute Form W-2 is given on time but does not have the required information, you must

notify the employee within 1 week of the date the substitute Form W-2 is given. If Form W-2 is required but is not given on time, you must give the employee Notice 797 or your written statement by the date Form W-2 is required to be given. If Form W-2 is not required, you must notify the employee by February 7, 2014.

You must hand the notice directly to the employee or send it by first-class mail to the employee's last known address. You will not meet the notification requirements by posting Notice 797 on an employee bulletin board or sending it through office mail. However, you may want to post the notice to help inform all employees of the EIC. You can get copies of the notice from IRS.gov or by calling 1-800-829-3676.

How Will My Employees Know If They Can Claim the EIC?

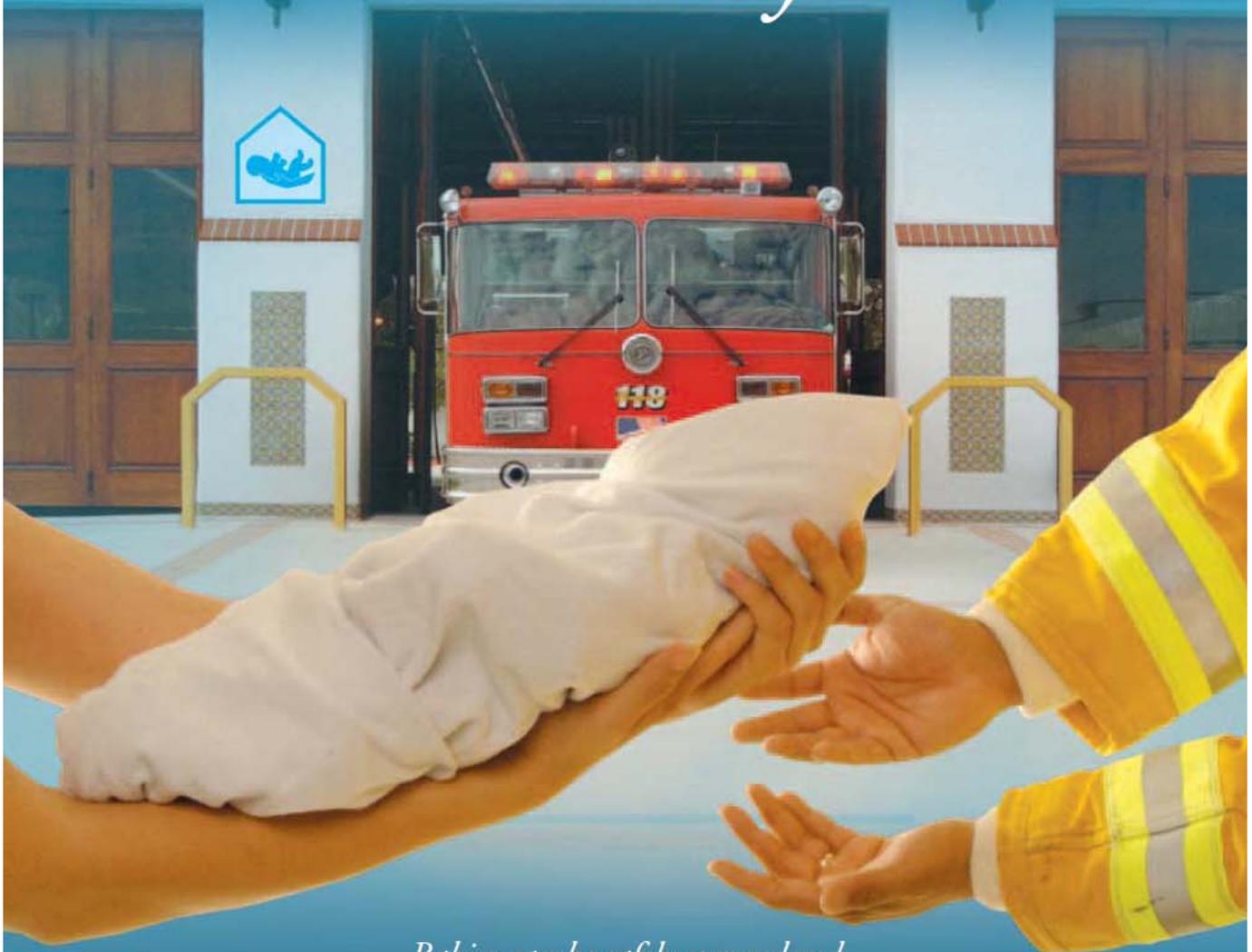
The basic requirements are covered in Notice 797. For more detailed information, the employee needs to see Pub. 596, Earned Income Credit (EIC), or the instructions for Form 1040, 1040A, or 1040EZ.

How Do My Employees Claim the EIC?

Eligible employees claim the EIC on their 2013 tax return. Even employees who have no tax withheld from their pay or owe no tax can claim the EIC and get a refund, but they must file a tax return to do so. For example, if an employee has no tax withheld in 2013 and owes no tax but is eligible for a credit of \$800, he or she must file a 2013 tax return to get the \$800 refund.

Notice 1015 (Rev. 12-2013)
Cat. No. 205991

Safely Surrendered *Baby Law*



*Babies can be safely surrendered
to staff at any hospital or fire station in Los Angeles County*

No shame. No blame. No names.

In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org



Safely Surrendered Baby Law

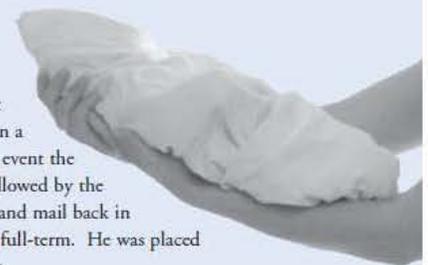
What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a baby, let her know there are other options. For three days (72 hours) after birth, a baby can be surrendered to staff at any hospital or fire station in Los Angeles County.

A baby's story

Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center. The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.



How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a stamped return envelope and can be sent in at a later time.

What happens to the baby?

The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

What happens to the parent or surrendering adult?

Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The Safely Surrendered Baby Law prevents this tragedy from ever happening again in California.

Ley de Entrega de Bebés *Sin Peligro*



Los recién nacidos pueden ser entregados en forma segura al personal de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles

Sin pena. Sin culpa. Sin nombres.

En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org



Ley de Entrega de Bebés Sin Peligro

¿Qué es la Ley de Entrega de Bebés sin Peligro?

La Ley de Entrega de Bebés sin Peligro de California permite la entrega confidencial de un recién nacido por parte de sus padres u otras personas con custodia legal, es decir cualquier persona a quien los padres le hayan dado permiso. Siempre que el bebé tenga tres días (72 horas) de vida o menos, y no haya sufrido abuso ni negligencia, pueden entregar al recién nacido sin temor de ser arrestados o procesados.

Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Angeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazaletes y el padre/madre o el adulto que lo entregue recibirá un brazaletes igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Angeles al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan si tienen custodia legal.

¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

¿Qué pasará con el padre/madre o adulto que entregue al bebé?

Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

¿Por qué se está haciendo esto en California? ?

La finalidad de la Ley de Entrega de Bebés sin Peligro es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La Ley de Entrega de Bebés sin Peligro impide que vuelva a suceder esta tragedia en California.

Historia de un bebé

A la mañana temprano del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazaletes con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.



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DEFAULTED PROPERTY TAX REDUCTION PROGRAM

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2.206.010 Findings and declarations.

The Board of Supervisors finds that significant revenues are lost each year as a result of taxpayers who fail to pay their tax obligations on time. The delinquencies impose an economic burden upon the County and its taxpayers. Therefore, the Board of Supervisors establishes the goal of ensuring that individuals and businesses that benefit financially from contracts with the County fulfill their property tax obligation. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" shall mean any person, firm, corporation, partnership, or combination thereof, which submits a bid or proposal or enters into a contract or agreement with the County.
- B. "County" shall mean the county of Los Angeles or any public entities for which the Board of Supervisors is the governing body.
- C. "County Property Taxes" shall mean any property tax obligation on the County's secured or unsecured roll; except for tax obligations on the secured roll with respect to property held by a Contractor in a trust or fiduciary capacity or otherwise not beneficially owned by the Contractor.
- D. "Department" shall mean the County department, entity, or organization responsible for the solicitation and/or administration of the contract.
- E. "Default" shall mean any property tax obligation on the secured roll that has been deemed defaulted by operation of law pursuant to California Revenue and Taxation Code section 3436; or any property tax obligation on the unsecured roll that remains unpaid on the applicable delinquency date pursuant to California Revenue and Taxation Code section 2922; except for any property tax obligation dispute pending before the Assessment Appeals Board.
- F. "Solicitation" shall mean the County's process to obtain bids or proposals for goods and services.
- G. "Treasurer-Tax Collector" shall mean the Treasurer and Tax Collector of the County of Los Angeles. (Ord. No. 2009-0026 § 1 (part), 2009.)

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2.206.030 Applicability.

This chapter shall apply to all solicitations issued 60 days after the effective date of the ordinance codified in this chapter. This chapter shall also apply to all new, renewed, extended, and/or amended contracts entered into 60 days after the effective date of the ordinance codified in this chapter. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.040 Required solicitation and contract language.

All solicitations and all new, renewed, extended, and/or amended contracts shall contain language which:

- A. Requires any Contractor to keep County Property Taxes out of Default status at all times during the term of an awarded contract;
- B. Provides that the failure of the Contractor to comply with the provisions in this chapter may prevent the Contractor from being awarded a new contract; and
- C. Provides that the failure of the Contractor to comply with the provisions in this chapter may constitute a material breach of an existing contract, and failure to cure the breach within 10 days of notice by the County by paying the outstanding County Property Tax or making payments in a manner agreed to and approved by the Treasurer-Tax Collector, may subject the contract to suspension and/or termination. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.050 Administration and compliance certification.

- A. The Treasurer-Tax Collector shall be responsible for the administration of this chapter. The Treasurer-Tax Collector shall, with the assistance of the Chief Executive Officer, Director of Internal Services, and County Counsel, issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other departments.
- B. Contractor shall be required to certify, at the time of submitting any bid or proposal to the County, or entering into any new contract, or renewal, extension or amendment of an existing contract with the County, that it is in compliance with this chapter is not in Default on any County Property Taxes or is current in payments due under any approved payment arrangement. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.060 Exclusions/Exemptions.

- A. This chapter shall not apply to the following contracts:
 - 1. Chief Executive Office delegated authority agreements under \$50,000;
 - 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor;

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3. A purchase made through a state or federal contract;
 4. A contract where state or federal monies are used to fund service related programs, including but not limited to voucher programs, foster care, or other social programs that provide immediate direct assistance;
 5. Purchase orders under a master agreement, where the Contractor was certified at the time the master agreement was entered into and at any subsequent renewal, extension and/or amendment to the master agreement.
 6. Purchase orders issued by Internal Services Department under \$100,000 that is not the result of a competitive bidding process.
 7. Program agreements that utilize Board of Supervisors' discretionary funds;
 8. National contracts established for the purchase of equipment and supplies for and by the National Association of Counties, U.S. Communities Government Purchasing Alliance, or any similar related group purchasing organization;
 9. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles Purchasing Policy and Procedures Manual, section P-3700 or a successor provision;
 10. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.6.0 or a successor provision;
 11. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision;
 12. A non-agreement purchase worth a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or
 13. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual section P-0900 or a successor provision;
 14. Other contracts for mission critical goods and/or services where the Board of Supervisors determines that an exemption is justified.
- B. Other laws. This chapter shall not be interpreted or applied to any Contractor in a manner inconsistent with the laws of the United States or California. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.070 Enforcement and remedies.

- A. The information furnished by each Contractor certifying that it is in compliance with this chapter shall be under penalty of perjury.

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- B. No Contractor shall willfully and knowingly make a false statement certifying compliance with this chapter for the purpose of obtaining or retaining a County contract.
- C. For Contractor's violation of any provision of this chapter, the County department head responsible for administering the contract may do one or more of the following:
 - 1. Recommend to the Board of Supervisors the termination of the contract; and/or,
 - 2. Pursuant to chapter 2.202, seek the debarment of the contractor; and/or,
 - 3. Recommend to the Board of Supervisors that an exemption is justified pursuant to Section 2.206.060.A.14 of this chapter or payment deferral as provided pursuant to the California Revenue and Taxation Code. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.080 Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. No. 2009-0026 § 1 (part), 2009.)