

APPROVED  
2016-15-2016

**BOARD REPORT**

BOARD OF RECREATION  
& PARK COMMISSIONERS

NO. 16-146

DATE June 15, 2016

C.D. 4

**BOARD OF RECREATION AND PARK COMMISSIONERS**

SUBJECT: GRIFFITH PARK – AWARD OF CONTRACT FOR THE GRIFFITH OBSERVATORY BOOKSTORE AND GIFT SHOP CONCESSION TO EVENT NETWORK, INC. (CON-M15-005)

A.P. Diaz	_____	*V. Israel	<u>      </u>
R. Barajas	_____	K. Regan	_____
H. Fujita	_____	N. Williams	_____

  
\_\_\_\_\_

General Manager

Approved

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATIONS

1. Award the Griffith Observatory Bookstore and Gift Shop Concession to Event Network, Inc. (Event Network), for a term of five years with two five-year extension options exercisable at the sole discretion of the Department of Recreation and Parks (RAP), along with approval from the Board of Recreation and Park Commissioners;
2. Approve a proposed Agreement (Agreement) with Event Network for the operation and maintenance of the Griffith Observatory Bookstore and Gift Shop Concession, herein included as Attachment 1, subject to the approval of the Mayor, the City Council, and of the City Attorney as to form;
3. Direct the Board Secretary to transmit the Agreement to the Mayor, in accordance with Executive Directive No. 3, and concurrently to the City Attorney for review as to form;
4. Find, in accordance with Charter Section 1022, that it is necessary, feasible and economical to secure these services by contract as RAP lacks sufficient and necessary personnel to undertake these specialized professional services;
5. Find, pursuant to Charter Section 371(e)(10), and Los Angeles Administrative Code Section 10.15(a)(10), that the use of competitive bidding would be undesirable, impractical or otherwise excused by the common law and the Charter because, unlike the purchase of a specified product, there is no single criterion, such as price comparison, that will determine which proposer can best provide the services required by RAP for the provision of bookstore and gift shop services;
6. Authorize the General Manager or Designee to execute the Agreement, and to make any necessary technical changes consistent with the Board's intent in approving the Agreement.

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### SUMMARY

On November 18, 2015, the Board of Recreation and Park Commissioners (Board) approved and authorized the release of a Request for Proposals (RFP) for the Operation and Maintenance of the Griffith Observatory Bookstore and Gift Shop Concession (Report No. 15-246) (Attachment 2).

On January 5, 2016, RAP hosted a Pre-Proposal Conference for the RFP and conducted a site visit at the Bookstore and Gift Shop (Concession). Three companies were represented at the Pre-Proposal Conference and site visit.

On February 16, 2016, RAP received one proposal in response to the RFP from the incumbent operator, Event Network. This proposal was submitted late, after the deadline of 1:00 P.M. However, RAP extended the deadline as only one proposal was received. After a thorough review of the proposal, RAP staff recommends that the Board approve the award of the bookstore and gift shop concession to Event Network.

### DISCUSSION

RAP evaluated Event Network's proposal under Level I review for background and experience operating similar bookstore and gift shop operations at museum/cultural attractions, financial capacity, compliance with City contracting requirements and the RFP requirements. RAP deemed the proposal responsive and could advance the proposal to Level II review.

The purpose of Level II review is for responsive proposals to be given an extensive assessment, including interviews of the proposers by an evaluation panel, in order to rank and score each proposal. Since only one proposal was received, rank scoring was not necessary. Staff thoroughly reviewed the Event Network proposal and determined that no proposal item required clarification. In addition, RAP staff has a history working closely with Event Network stakeholders during the last nine years of their operation at the Griffith Observatory. The below information provides a summary of staff's assessment of Event Network's written proposal:

#### Business Plan

Continued success of the Concession depends on a company that is experienced and successful in operating a bookstore and gift shop within museums and cultural attractions. Event Network's proposal detailed their eighteen (18) years of success operating these types of stores in museums and cultural attractions. They have partnerships in ninety-six (96) institutions across North America, including the American Museum of Natural History (New York), the California Academy of Sciences (San Francisco), the Museum of Sciences and Industry (Chicago), and the Perot Museum of Nature and Science (Dallas). Various notable Southern California locations include the Natural History Museum of Los Angeles County, the La Brea Tar Pits, the Queen Mary and the San Diego Natural History Museum.

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In Fiscal Year 2015, Event Network achieved one hundred and seventy four million (\$174,000,000.00) in retail sales. Their workforce is approximately one thousand three hundred and fifty (1,350) employees (including seasonal employees). Event Network commits to seventeen (17) employees to be actively involved with Concession operations at Griffith Observatory.

Event Network is committed to including merchandise that will inspire people to “look up at the sky and observe” - items in a wide selection (books, scientific instruments, gifts, souvenirs), broad price points, and store ambiance. They train and develop staff to be service oriented, with a goal of enhancing the customer’s visit. Event Network sees Griffith Observatory as a partner, and is committed to work seamlessly with Observatory management and staff to optimize the guest experience.

Included in Event Network’s proposal were key items stipulated in the RFP: one hundred thousand (\$100,000.00) Performance Deposit; ten percent (10%) discounts to groups closely associated with Griffith Observatory; one percent (1%) of gross sales to a Refurbishment and Replacement Fund; special event merchandise; mobile retail sales cart/kiosk; ecommerce via website; responsibility for utilities and insurance/liability; commitment for facility improvements; and dedication of an on-site manager with ten (10) years of retail experience who joined Event Network six years ago.

For nine years, Event Network’s gross receipts have trended upward at the Concession. During the RFP process, Event Network expressed concerns regarding future Observatory attendance – a factor directly impacting their sales which they have no control over. Their submitted Pro Forma for continued operation included a conservative one percent (1%) increase in sales each year from bookstore and gift shop, mobile cart/kiosk, and website sales. The Pro Forma also assumed several operating costs based on actual past data.

### Proposed Operational Plan

The Event Network proposal pledged to have the bookstore and gift shop open during standard Griffith Observatory operating hours. They also agreed to work with Observatory management in accommodating special events with additional operating hours.

Event Network has a specific purchasing team for their Science Museum partnerships that is responsible for bringing the product vision for Griffith Observatory to life. Event Network’s Creative section will be responsible for all product development, retail and graphic design for the Observatory Concession. They create custom products specifically for Griffith Observatory designed to include the Observatory registered logo and image.

Proposed merchandise was valued at approximately one hundred and twenty five thousand (\$125,000.00) consisting of an assortment of approximately four hundred and fifty (450) items, which addressed the needs of all potential demographics and interests, at varying price points ranging from one dollar (\$1.00) (pencil, bookmark/ruler, postcards) to two thousand five hundred dollars (\$2,500.00) (meteorite). Categories included items in: accessories, apparel, convenience,

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geology, home accent, jewelry, media, posters, souvenirs, stationery, toys and books. Books are grouped as youth and adult, with approximately forty five (45) and fifty four (54) selections each, respectively.

The proposal listed major equipment to be used (also currently in place): mobile cart/kiosk; POS system including credit/debit card readers; server computer; back office computer; receiving computer; label printers; laser printer/copier; and safes. The estimated value is over thirty one thousand dollars (\$31,000.00). Maintenance of the equipment and Concession is the responsibility of Event Network.

Proposed Revenue-Sharing Payment

Event Network’s proposal matched the RFP’s minimum acceptable revenue share percentage:

Annual Gross Sales From	Annual Gross Sales To	Commission
\$1.00	\$1,000,000.00	25%
\$1,000,001.00	\$2,000,000.00	30%
\$2,000,001.00	\$3,000,000.00	35%
\$3,000,001.00+	-----	38%

Event Network’s proposal also matched the RFP’s minimum acceptable annual minimum revenue share:

Years	Annual Minimum Revenue Share
1-5	\$400,000.00
6-10	\$420,000.00
11-15	\$441,000.00

Annually, the City would receive the greater of the two.

Proposed Facility Improvements

Event Network’s proposal included a Facility Improvement Plan, with non-mandatory capital and tenant improvements valued at one hundred and seventy five thousand dollars (\$175,000.00). A refresh and refurbishment plan was proposed for the entire concession space. The proposed change is the creation/relocation of a cash wrap counter from the back wall to near the entrance (Attachment 3). Also included were new wall units, tables, shelves, pedestals, and LED fixtures/lighting. The improvements were designed to maximize traffic flow, site lines, and the merchandise’s capacity, exposure and flexibility. Event Network will continue arranging merchandise by themes and stories – grouped to illustrate an exhibit or particular message.

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### CONCLUSION

Event Network's proposal demonstrated a thorough and comprehensive plan to continue operation of the Griffith Observatory Bookstore and Gift Shop both for regular hours of operation and special events. It is dedicated to promoting Griffith Observatory's mission through unique astronomy-themed merchandise, displays, and customer interaction. Event Network specializes in museum/cultural attraction retail with ninety six (96) partnerships across North America, with a large support system and resources necessary to support its mission-oriented merchandise, service, and growth at Griffith Observatory. Event Network currently has staff, management, inventory, equipment, and permits/licenses in place; there would be no interruption in service. Event Network's proposed one hundred and seventy five thousand dollars (\$175,000.00) in capital and tenant improvements shows commitment to enhance the Concession and boost its sales potential. Event Network has operated the Concession since the renovated Observatory's reopening in 2006, and has proven successful in its gross sales, increasing from one million, thirty four thousand, seven hundred and eighty six dollars (\$1,034,786.00) (2007) to one million, seven hundred and ninety two thousand, nine hundred and forty one dollars (\$1,792,941.00) (2015) and resulting revenue-share to the City from two hundred and thirty five thousand, eight hundred and forty three thousand dollars (\$235,843.00) (2007) to four hundred and sixteen thousand, three hundred and twenty three dollars (\$416,323.00) (2015). Staff recommends that the Board approve the award of the bookstore and gift shop concession to Event Network, for a term of five years with two five-year extension options exercisable at the sole discretion of RAP, along with approval from the Board of Recreation and Park Commissioners.

### FISCAL IMPACT STATEMENT

RAP will receive an annual minimum revenue guarantee of four hundred thousand dollars (\$400,000.00) for the first five years, escalating to four hundred and twenty thousand dollars (\$420,000.00) for years 6-10 and four hundred forty one thousand dollars (\$441,000.00) for years 11-15, respectively, should the two renewal options be exercised by RAP.

This Report was prepared by Stanley Woo, Management Analyst II, Partnership and Revenue Branch, Concessions Division.

### LIST OF ATTACHMENTS

- 1) Proposed Agreement for the Operation and Maintenance of Griffith Observatory Bookstore and Gift Shop Concession between the City of Los Angeles and Event Network, Inc.
- 2) Board Report No. 15-246: Griffith Park – Request for Proposals for the Griffith Observatory Bookstore and Gift Shop Concession
- 3) Conceptual Design of Proposed Griffith Observatory Store Refurbishment

**AGREEMENT**  
**FOR THE OPERATION AND MAINTENANCE OF**  
**GRIFFITH OBSERVATORY**  
**BOOKSTORE AND GIFT SHOP CONCESSION**  
**Between**  
**THE CITY OF LOS ANGELES**  
**And**  
**EVENT NETWORK, INC.**

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**AGREEMENT FOR THE OPERATION AND MAINTENANCE OF  
GRIFFITH OBSERVATORY  
BOOKSTORE AND GIFT SHOP CONCESSION**

**Between**

**THE CITY OF LOS ANGELES**

**And**

**EVENT NETWORK, INC.**

This Agreement ("AGREEMENT") is made and entered in this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, by and between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners ("CITY"), and EVENT NETWORK, INC. ("CONCESSIONAIRE").

**WHEREAS**, CITY seeks to obtain a bookstore and gift shop concessionaire to provide merchandise sales and service at Griffith Observatory; and

**WHEREAS**, CITY finds, in accordance with Charter Section 1022, that it is necessary, feasible and economical to secure these services by contract as it lacks available personnel in its employ with sufficient expertise to undertake these specialized services; and

**WHEREAS**, CITY finds, pursuant to Charter Section 371(e)(10), and Los Angeles Administrative Code Section 10.15(a)(10), that the use of competitive bidding would be undesirable, impractical or otherwise excused by the common law and the Charter because, unlike the purchase of a specified product, there is no single criterion, such as price comparison, that will determine which proposer can best provide the services required by the Department of Recreation and Parks ("DEPARTMENT") for the provision of bookstore and gift shop services; and

**WHEREAS**, CITY finds it is necessary to utilize a standard request for proposals process and to evaluate proposals received based upon the criteria included in a Request for Proposals (RFP); and

**WHEREAS**, DEPARTMENT advertised for proposals for Griffith Observatory Bookstore and Gift Shop Concession ("CONCESSION") on December 16, 2015; and

**WHEREAS**, DEPARTMENT received and analyzed one (1) proposal received on February 16, 2016; and



**WHEREAS**, CONCESSIONAIRE was evaluated and approved by CITY to conduct the operation of the CONCESSION in accordance with the terms and conditions of this AGREEMENT; and

**WHEREAS**, CONCESSIONAIRE desires to secure and enter into an AGREEMENT in accordance with the foregoing and undertakes to provide services of the type and character required therein by CITY to meet the needs of the public at Griffith Observatory.

**NOW THEREFORE**, in consideration of the terms, covenants and conditions hereinafter to be kept and performed by the respective parties, it is agreed as follows:

**SECTION 1. DEFINITIONS**

For the purpose of this AGREEMENT, the following words and phrases are defined and shall be construed as hereinafter set forth:

AGREEMENT:	This CONCESSION AGREEMENT consisting of thirty-two (32) pages and Exhibits (A thru K) attached hereto.
BOARD:	Board of Recreation and Park Commissioners.
CITY:	The City of Los Angeles, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners.
CONCESSION:	Griffith Observatory Bookstore and Gift Shop ("Stellar Emporium")
CONCESSIONAIRE:	Event Network, Inc.
CONCESSION MANAGER:	The Person with whom the DEPARTMENT interacts with on a regular basis regarding the CONCESSION.
DEPARTMENT:	The Department of Recreation and Parks.
FOTO:	Friends Of The Observatory – A non-profit membership organization established to support and promote Griffith Observatory.
LAAC:	Los Angeles Administrative Code
LAMC:	Los Angeles Municipal Code
OBSERVATORY:	Griffith Observatory
PREMISES:	The geographical area, as defined in Section 3 of this AGREEMENT, in which the CONCESSION may be operated.

STANDARD  
PROVISIONS:

Standard Provisions for City Contracts (Rev. 3/09), attached hereto as "Exhibit A" and incorporated herein.

## **SECTION 2. PERMISSION GRANTED**

For and in consideration of the payment of the fees and charges as hereinafter provided, and subject to all of the terms, covenants, and conditions of the AGREEMENT, CITY hereby grants to CONCESSIONAIRE the privilege to provide only those services set forth in the AGREEMENT, and not for any other purpose without the prior written consent of the DEPARTMENT.

CONCESSIONAIRE agrees and understands that a café, mobile cart, and catering food and beverage concession will be permitted to operate under a separate agreement within the immediate vicinity of the PREMISES herein described. Other concessions may be awarded that do not directly compete with this CONCESSION.

In the event of a conflict between CONCESSIONAIRE and any other concessionaire or any lessee at the OBSERVATORY regarding the services to be offered or products to be sold by respective concessionaires or lessees, DEPARTMENT shall meet and confer with all necessary parties in order to determine the services to be offered or products to be sold by each, and CONCESSIONAIRE hereunder agrees thereafter to be bound by said determination.

CONCESSIONAIRE shall provide merchandise, theme the CONCESSION, and conduct business in a manner which helps promote the mission of the OBSERVATORY, "Inspiring everyone to observe, ponder, and understand the sky."

The CONCESSION rights herein granted shall be carried on at the OBSERVATORY solely within the limits and confines of said areas designated as PREMISES in the AGREEMENT. CONCESSIONAIRE, by accepting the AGREEMENT, agrees for itself, its successors and assigns that it will not make use of the PREMISES in any manner which might interfere with the intended use of the OBSERVATORY by DEPARTMENT.

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

CITY reserves the right to further develop or improve the PREMISES as it sees fit, without interference or hindrance; however the CITY shall consider the desire and views of CONCESSIONAIRE.

### **SECTION 3. PREMISES**

The PREMISES to be authorized for use by CONCESSIONAIRE at the OBSERVATORY shall include the CONCESSION, and a predesignated "mobile point of sale cart/kiosk set-up area" as determined by the DEPARTMENT, acting through Observatory management. The CONCESSION cart/kiosk activity will be located in an admission-free area that can be accessed by visitors and the general public independently of the OBSERVATORY but will operate only when the CONCESSION is open. Its hours of operation must be preapproved by the DEPARTMENT, acting through Observatory management.

CONCESSIONAIRE shall not use or permit the CONCESSION PREMISES to be used, in whole or in part, for any other purpose other than as set forth in this AGREEMENT except with the prior, written consent of DEPARTMENT, nor allow any use in violation of any present or future laws, ordinances, rules and regulations relating to sanitation or the public health, safety or welfare of operations at and use of the CONCESSION PREMISES. CONCESSIONAIRE hereby expressly agrees at all times during the term of this AGREEMENT, to maintain, use and operate the CONCESSION PREMISES in a safe, clean, wholesome and sanitary condition, and in compliance with any and all present and future laws, ordinances and rules and regulations relating to public health, safety or welfare.

CITY undertakes and agrees to deliver to CONCESSIONAIRE the PREMISES described in Exhibit B in as-is condition.

### **SECTION 4. TERM OF AGREEMENT**

The term of the AGREEMENT will commence on October 1, 2016 and shall be for five (5) years, with two (2) five-year extension options, exercisable at the sole discretion of the DEPARTMENT, along with approval of the Board of Recreation and Park Commissioners ("BOARD"). See Ratification (Section 18).

Neither CITY, nor any BOARD member, officer, or employee thereof shall be liable to CONCESSIONAIRE because of any action taken to revoke, decline to exercise an option or disapprove a renewal of the AGREEMENT.

### **SECTION 5. OPERATING RESPONSIBILITIES**

To ensure CONCESSIONAIRE meets the expectations of the CITY to further the OBSERVATORY mission and that the visitor experience at the OBSERVATORY is positive in every respect, CONCESSIONAIRE shall operate under the following principal guidelines.

#### **A. Merchandise**

CONCESSIONAIRE shall offer a creative selection of products to enhance the OBSERVATORY visitor and guest experience. Thematic in nature, the CONCESSION shall offer items which reflect the OBSERVATORY'S astronomical intent and is consistent

with the OBSERVATORY'S programmatic initiatives. Product items shall be derived from the best quality products available. Product inventory must be one hundred percent (100%) mission-related at all times. All merchandise shall be in accordance with the mission of the OBSERVATORY (Section 2) and pre-approved by the DEPARTMENT.

All pricing shall be comparable with prices at other first class, high quality, Los Angeles area cultural retail institutions. Prices shall be determined with a goal of high perceived value. All prices must be posted on display or on product items.

CITY agrees that CONCESSIONAIRE'S merchandise, including its schedule of prices, charges and rates for same, shall be within CONCESSIONAIRE'S discretion; subject, however, to approval by the DEPARTMENT (acting through Observatory management). Such determination shall not be unreasonable and shall take into account the business considerations presented by CONCESSIONAIRE.

#### **B. Merchandise Accessibility**

CONCESSIONAIRE shall offer the same merchandise, approved for the CONCESSION, on a website managed by the CONCESSIONAIRE at its sole expense. The website shall reference the OBSERVATORY and CONCESSION. A portion of the merchandise found in the CONCESSION shall be made available on the mobile point of sale cart/kiosk.

#### **C. Discounts**

CONCESSIONAIRE shall offer a ten percent (10%) discount to OBSERVATORY staff, on-site café concession staff, FOTO staff and volunteers, and current members of FOTO and the Los Angeles Astronomical Society. The discount shall apply to purchases from the CONCESSION and the mobile point of sale cart/kiosk when official identification is shown.

#### **D. Consignment**

CONCESSIONAIRE shall sell items on consignment that are produced by the DEPARTMENT, including but not limited to current and past issues of its publication, the *Griffith Observer*, Solarama handheld safe-viewing filters, and other event or activity related items.

#### **E. Days and Hours of Operation**

The CONCESSIONAIRE shall operate the CONCESSION during the OBSERVATORY'S business hours. The mobile point of sale cart/kiosk may operate only when the CONCESSION is open. Cart/kiosk hours of operation must be preapproved by the DEPARTMENT, acting through Observatory management.

CONCESSIONAIRE must post the hours of operation in a location visible to the public, and must be open for business during the hours posted. Any deviation from the hours specified requires the prior approval of the DEPARTMENT, acting through Observatory management.

#### **F. Equipment, Furnishings and Expendables**

CONCESSIONAIRE is required to provide and own, at CONCESSIONAIRE'S cost and expense, all loose equipment required for the CONCESSION which includes, but is not limited to, point of sale/cash registers, credit/debit card machines, computers and computer related hardware and software, office furniture/furnishings, mobile carts and fax machine. The DEPARTMENT, acting through Observatory management, will have the right of review and approval of loose equipment that will be used or in view of OBSERVATORY visitors/customers.

If, upon termination of the AGREEMENT, CITY does not renew said AGREEMENT, CONCESSIONAIRE shall have the right to remove its own equipment, furnishings, and expendables, but not improvements, from the PREMISES and shall be allowed a period of thirty (30) days to make such removal. If not removed within that period, said equipment, furnishings and expendables shall become the property of CITY.

#### **G. Maintenance and Repair of Equipment**

CONCESSIONAIRE shall, at all times and at its expense, keep, maintain and repair the PREMISES including all equipment, whether owned and/or installed by CONCESSIONAIRE or CITY, such as, but not limited to, fans, controls and electric panels, installed by CITY, along with all of the fixtures, plate and mirror glass, equipment and personal property therein, in good repair and in a clean, sanitary and orderly condition and appearance.

CITY shall maintain building Heating, Ventilation, and Air Conditioners (HVAC) and the building electrical systems.

#### **H. Cart/Kiosk & Storage**

As a supplement to the retail service in the CONCESSION, CONCESSIONAIRE shall provide mobile point of sale cart/kiosk service featuring merchandise from the CONCESSION. The cart shall be configured and merchandised to maximize visual appeal, product variety and practicality. The cart/kiosk shall be self-contained and mobile for off-premises storage or for storage within the CONCESSION.

CONCESSIONAIRE shall secure all necessary licenses and permits as a cost of business under the AGREEMENT covering the operation of these items. CONCESSIONAIRE shall maintain the carts in good repair and a clean and sanitary condition at all times. CONCESSIONAIRE shall be responsible for the maintenance of the cart and shall provide a trash receptacle for use by customers.

#### **I. Personnel**

##### **1. Freedom from Tuberculosis**

For employees preparing food, and others as required by statute (reference Section 5163 of the California Public Resources Code) or directive of the DEPARTMENT, CONCESSIONAIRE shall provide the DEPARTMENT with certificates on applicable employees indicating freedom from communicable tuberculosis.

2. Qualified Personnel

CONCESSIONAIRE will, in the operation of the CONCESSION, employ or permit the employment of only such personnel as will assure a high standard of service to the public and cooperation with the CITY. All such personnel, while on or about the PREMISES, shall be neat in appearance and courteous at all times and shall be appropriately attired, with badges or other suitable means of identification. No person employed by CONCESSIONAIRE, while on or about the PREMISES, shall be under the influence of illegal drugs, narcotics, other controlled substances or alcohol, or use inappropriate language, or engage in otherwise inappropriate conduct for a work environment. In the event an employee is not satisfactory, the DEPARTMENT may direct CONCESSIONAIRE to remove that person from the PREMISES.

3. CONCESSION MANAGER

CONCESSIONAIRE shall appoint, subject to written approval by the DEPARTMENT (acting through Observatory management), a CONCESSION MANAGER of CONCESSIONAIRE'S operations at the CONCESSION.

Such person must be a qualified and experienced manager or supervisor of operations, vested with full power and authority to accept service of all notices provided for herein and regarding operation of the CONCESSION, including the quality and prices of CONCESSION goods and services, and the appearance, conduct, and demeanor of CONCESSIONAIRE'S agents, servants, and employees. The CONCESSION MANAGER shall be available during regular business hours and, at all times during that person's absence, a responsible subordinate shall be in charge and available.

The CONCESSION MANAGER shall devote the greater part of his or her working time and attention to the operation of the CONCESSION and shall promote, increase and develop the business. During the days and hours established for the operation of the subject concession, the CONCESSION MANAGER'S personal attention shall not be directed toward the operation of any other business activity.

If, for reasons of ill health, incapacitation, or death, the CONCESSION MANAGER becomes incapable of performing each and all terms and provisions of the AGREEMENT, the CONCESSIONAIRE shall appoint a replacement CONCESSION MANAGER within thirty (30) days, subject to written approval by the DEPARTMENT (acting through Observatory Management).

4. Approval of Employees, Volunteers and Subcontractors

The DEPARTMENT views concession staff as representatives of the Observatory, and reserves the right to disapprove any employee, volunteer, or subcontractor deemed to not meet that vocation (including all employees and volunteers for any subcontractor) of CONCESSIONAIRE. CONCESSIONAIRE shall not hire any employee or volunteer, or subcontract with, any person whom the DEPARTMENT

would be prohibited from hiring as an employee or volunteer pursuant to California Public Resources Code Section 5164 to perform work at the CONCESSION. Each employee, volunteer or subcontractor (including all employees or volunteers of any subcontractor) may be required to complete and submit a form requesting the information required by Section 5164, and the DEPARTMENT reserves the right to fingerprint and conduct a Department of Justice criminal background check on any such person at any time. Failure to comply with this hiring standard shall be a material breach of this AGREEMENT and CONCESSIONAIRE shall immediately remove any employee, volunteer or subcontractor from the CONCESSION at the DEPARTMENT'S instruction.

#### **J. Marketing**

CONCESSIONAIRE shall take all reasonable measures, in every proper manner, to develop, maintain, and increase the business conducted by it under this AGREEMENT.

Except as may be otherwise provided in the AGREEMENT, the CONCESSIONAIRE shall not refer to the OBSERVATORY or its facilities in any manner or through any medium, whether written, oral, or visual, for any purpose whatsoever, including, but not limited to, advertising, promotion, publicity, solicitation or fund-raising without the prior written permission of the DEPARTMENT. For purposes of soliciting new business, CONCESSIONAIRE shall have the right to use the OBSERVATORY logo pending prior written approval from the DEPARTMENT.

#### **K. Customer Surveys**

The CONCESSION services are an integral and important part of the visitor experience. The DEPARTMENT reserves the right to instruct CONCESSIONAIRE to conduct customer survey programs covering its entire retail service at the CITY. The forms and techniques (i.e., automated, written, intercepts, focus groups, etc.) will be subject to prior review and approval of the DEPARTMENT, acting through Observatory management. CONCESSIONAIRE shall provide the results from these activities to the DEPARTMENT in a timely manner.

#### **L. Cleanliness**

CONCESSIONAIRE shall keep the PREMISES, and the surrounding areas clean [at least twenty-five (25) feet] and sanitary at all times. No offensive or refuse matter, nor any substance constituting an unnecessary, unreasonable or unlawful fire hazard, or material detrimental to the public health, shall be permitted or remain thereon, and CONCESSIONAIRE shall prevent any such matter or material from being or accumulating upon said PREMISES.

CONCESSIONAIRE shall see that all garbage or refuse is collected as often as necessary and in no case less than twice a week. It shall furnish all equipment and materials necessary therefore, including trash receptacles of a size, type and number approved by DEPARTMENT, acting through Observatory management. CONCESSIONAIRE shall transfer trash and broken-down recyclable cardboard to the OBSERVATORY'S main trash collection area (see Section 5.S), for pick-up.

**M. Conduct**

CONCESSIONAIRE shall at all times conduct its business in a quiet and orderly manner to the satisfaction of the DEPARTMENT.

**N. Disorderly Persons**

CONCESSIONAIRE shall use its best efforts to permit no intoxicated person or persons, profane or indecent language, or boisterous or loud conduct in or about the PREMISES and will call upon the aid of peace officers to assist in maintaining peaceful conditions. It shall not knowingly allow the use or possession of illegal drugs, narcotics or controlled substances on the PREMISES.

**O. Diversion of Business**

CONCESSIONAIRE shall not divert, cause, allow or permit to be diverted any business from the PREMISES and shall take all reasonable measures, in every proper manner, to develop, maintain and increase the business conducted by it under the AGREEMENT.

**P. Signs and Advertisements**

CONCESSIONAIRE shall post a sign within the CONCESSION in a prominent place stating that the CONCESSION is operated under a CONCESSION AGREEMENT issued by CITY through the Department of Recreation and Parks. The sign's size, design, and content require prior approval from the DEPARTMENT.

CONCESSIONAIRE shall not erect, construct or place additional signs, banners, ads, or displays of any kind whatsoever upon any portion of the OBSERVATORY or PREMISES without the prior written approval from the DEPARTMENT, acting through Observatory management. Additional signage shall include "In collaboration with the City of Los Angeles Department of Recreation and Parks" and shall not contain a call for action. Requests shall include the size, design, content, rendering, location, method of attachment, and posting duration. The DEPARTMENT may require the removal or refurbishment of any previously approved sign.

CONCESSIONAIRE shall not permit vendors to display wares inside or outside the building or on said property unless permission is secured from the DEPARTMENT in advance of installation and such permission shall be subject to revocation at any time but shall not be unreasonably withheld.

Upon the expiration or earlier termination of the AGREEMENT, CONCESSIONAIRE shall remove, obliterate or paint out, as the DEPARTMENT may direct, any and all of its signs and displays on the PREMISES and in connection therewith, and shall restore said PREMISES and improvements thereto to the same condition as prior to the placement of any such signs or displays.

**Q. Taxes**

CONCESSIONAIRE shall pay all applicable CITY, State and Federal taxes of whatever character that may be levied or charged upon the rights of CONCESSIONAIRE to use



the PREMISES, or upon CONCESSIONAIRE'S improvements, fixtures, equipment or other property thereon or upon CONCESSIONAIRE'S operations hereunder. In addition, by executing the AGREEMENT and accepting the benefits thereof, a property interest may be created known as a "Possessory Interest" and such property interest will be subject to property taxation. CONCESSIONAIRE, as the party in whom the Possessory interest is vested, may be subject to the payment of the property taxes levied by the State and County upon such interest.

Pursuant to Section 21.3.3 of Article 1.3 of the LAMC Commercial Tenants Occupancy Tax, CONCESSIONAIRE must pay to the City of Los Angeles for the privilege of occupancy, a tax at the rate of One Dollar and Forty-Eight cents (\$1.48) per calendar quarter or fractional part thereof for the first One Thousand Dollars (\$1,000.00) or less of charges (rent) attributable to said calendar quarter, plus One Dollar and Forty-Eight cents (\$1.48) per calendar quarter for each additional One Thousand Dollars (\$1,000.00) of charges or fractional part thereof in excess of One Thousand Dollars (\$1,000.00). Said tax shall be paid to the DEPARTMENT, on or before the fifteenth (15th) of April, July, October, and January of each calendar year, for the preceding three (3) months. CONCESSIONAIRE shall obtain and maintain at its sole expense any and all approvals, permits, or licenses that may be required in connection with the operation of the CONCESSION including, but not limited to: tax permits, business licenses, health permits, building, police and fire permits, etc.

#### **R. Permits and Licenses**

CONCESSIONAIRE shall obtain and maintain any and all approvals, permits, or licenses that may be required in connection with the operation of the CONCESSION including, but not limited to, tax permits, business licenses, health permits, building permits, police and fire permits, etc.

#### **S. Utilities**

CONCESSIONAIRE shall be responsible for all utility charges, regardless of whether such utility services are provided by CITY or by utility service corporations. This includes, but not limited to deposits, installation costs, and deposits related to phone and data cable lines, and all service charges for electricity and other utility services to PREMISES. A separate meter is installed for electricity only, and shall be paid by CONCESSIONAIRE direct to the service provider. Water and gas utility services have not been established nor required in operation of the CONCESSION.

Heating and air conditioning are provided by the CITY for the entire OBSERVATORY and are not separated for the PREMISES. Trash and cardboard recycling services, located by the main parking lot and public restrooms, are provided by the CITY. CONCESSIONAIRE may use an available electrical outlet on the OBSERVATORY grounds for mobile point of sale cart/kiosk sales operation. CONCESSIONAIRE shall remit, on a monthly basis in conjunction with revenue-sharing payments to the DEPARTMENT, the amount of Three Hundred Dollars (\$300.00) as payment for the DEPARTMENT-provided utilities identified above. CONCESSIONAIRE will be required to reimburse the DEPARTMENT for any subsequent utility services that may be provided

at a future date. Payment of DEPARTMENT-provided utilities will be subject to periodic price increases to cover increasing costs.

CONCESSIONAIRE hereby expressly waives all claims for compensation or for any diminution or abatement of the rental payment provided for herein for any and all loss or damage sustained by reason of any defect, deficiency or impairment of the water, heating, or air conditioning systems, electrical apparatus or wires furnished to the PREMISES which may occur from time to time and from any cause or from any loss resulting from water, earthquake, wind, civil commotion or riot; and CONCESSIONAIRE hereby expressly releases and discharges CITY, DEPARTMENT, and CITY'S officers, employees, servants and agents from any and all demands, claims, actions and causes of action arising from any of the aforesaid causes.

In all instances where damage to any utility service line is caused by CONCESSIONAIRE, its employees, contractors, sub-contractors, suppliers, agents or invitees, CONCESSIONAIRE shall be responsible for the cost of repairs and any and all damages occasioned thereby.

CONCESSIONAIRE shall use best efforts to assure that water and electricity are utilized by CONCESSIONAIRE in the most efficient manner possible, and CONCESSIONAIRE expressly agrees to comply with all CITY water and energy conservation programs.

CONCESSIONAIRE shall obtain telephone service to the CONCESSIONS. The telephone number shall be placed in the CONCESSION'S name and shall not be transferable to any other location. CONCESSIONAIRE shall reimburse the DEPARTMENT if the DEPARTMENT pays any telephone or optional internet service.

**T. Coin Operated Machines**

CONCESSIONAIRE shall not install any coin-operated machines, including but not limited to vending machines, electronic game, and press penny souvenir machines. The DEPARTMENT shall have the right to order the immediate removal of any unauthorized machines.

**U. Safety**

CONCESSIONAIRE shall correct safety deficiencies and violations of safety practices immediately after the condition becomes known or DEPARTMENT notifies CONCESSIONAIRE of said condition. CONCESSIONAIRE shall cooperate fully with CITY in the investigation of accidents occurring on the PREMISES. In the event of injury to a patron or customer, CONCESSIONAIRE shall act reasonably to ensure that the injured person receives prompt and qualified medical attention, and as soon as possible thereafter, CONCESSIONAIRE shall submit a CITY Form General No. 87 "Non-Employee Accident or Illness Report" (Exhibit E) within forty-eight (48) hours of the incident, two (2) copies of all Accident/Incident reports shall be sent to address identified in Section 17: "Notices." If CONCESSIONAIRE fails to correct hazardous conditions specified by the DEPARTMENT in a written notice, which have led, or in the opinion of CITY agents could lead, to injury, the DEPARTMENT may at his option, and in addition

to all other remedies which may be available to CITY, to repair, replace, rebuild, redecorate or paint any such PREMISES to correct the specified hazardous conditions, with the cost thereof, plus fifteen percent (15%) for administrative overhead, to be paid by CONCESSIONAIRE to CITY on demand.

#### **V. Environmental Sensitivity**

CONCESSIONAIRE shall implement a conservation policy to include, but not be limited to, utilizing non-toxic, non-Styrofoam, recyclable paper and cardboard products; sorting all polystyrene and plastic related products from paper and paperboard products; recycling cardboard boxes and wooden pallets; and maintain inventory controls to reduce waste. The CONCESSIONAIRE must operate the CONCESSION in an environmentally sensitive manner and all operations must comply with CITY policies regarding protection of the environment. CONCESSIONAIRE shall not use or allow the use on the PREMISES of environmentally unsafe products.

#### **W. Amplified Sound**

No amplified sound is permitted by CONCESSIONAIRE in its operations on PREMISES without written approval from the DEPARTMENT, acting through Observatory management.

#### **X. Fund Raising and/or Special Events Activities**

CONCESSIONAIRE is expected to cooperate with DEPARTMENT personnel on all matters relative to the conduct of fund-raising and/or special events, as well as use of OBSERVATORY and/or CONCESSION areas by the film industry. CONCESSIONAIRE may be required to cease operations or to allow for fund-raising and/or special events at the direction of the DEPARTMENT.

#### **Y. Security**

CONCESSIONAIRE shall be responsible for the security of the CONCESSION. CONCESSIONAIRE may install equipment, approved by the DEPARTMENT, and acting through Observatory management, which will assist in protecting the CONCESSION from theft, burglary, or vandalism. Any such equipment must be purchased, installed, and maintained by CONCESSIONAIRE.

### **SECTION 6. FACILITY IMPROVEMENT**

CONCESSIONAIRE will be responsible for completing the Facility Improvement projects submitted with CONCESSIONAIRE'S Proposal to CITY (See Exhibit K). It includes, but is not limited to floor polishing, demolition, installation of cash wrap, wall units, T-units, spinners, cube tables, tables, glass case pedestals, bookshelves, shelves, acrylic cubes, light fixtures, track lighting, LED lamps, and graphics. The total value of all Facility Improvements is One Hundred Seventy-Five Thousand Dollars (\$175,000.00).

CONCESSIONAIRE will be responsible for the cost of any changes to the current equipment designed into the space, all such changes subject to the prior approval of the DEPARTMENT.

All design, equipment, furnishings, etc., shall be subject to the prior review and (reasonable) approval of the DEPARTMENT.

Facility Improvements shall be completed no later than ninety (90) days after execution of the AGREEMENT, or within ninety (90) days of mutual agreement - scheduled with the DEPARTMENT (acting through Observatory management). The Facility Improvements become property of the CITY.

Invoices and receipts shall be submitted to the Department to document all expenses relating to the Facility Improvements. If actual cost is more than stated in this AGREEMENT, the CONCESSIONAIRE is still responsible for completing the projects. If, upon completion, actual cost is less than One Hundred Seventy-Five Thousand Dollars (\$175,000.00) the remaining amount must be invested in other improvements to the CONCESSION facility, as approved by the DEPARTMENT, within twelve (12) months.

**SECTION 7. REFURBISHMENT AND REPLACEMENT FUND**

CONCESSIONAIRE shall set aside a reserve in the amount of one percent (1%) of total gross annual receipts from all CONCESSIONS, including website and mobile cart/kiosk sales, for the purpose of replacement of the display furniture and fixtures when they become worn. This reserve shall be cumulative and carry-over from year-to-year during the term of the AGREEMENT. In the event of AGREEMENT termination for any reason, any balance in this account will be transferred to the DEPARTMENT. These funds are not to be used for routine maintenance and repair of equipment (Section 5.G), or loose equipment replacement.

CONCESSIONAIRE shall obtain prior written approval from the DEPARTMENT, acting through Observatory management, on all items to be replaced using this fund.

CONCESSIONAIRE shall provide a monthly accounting of the use and balance of the fund, including dates, description of the items, and costs which the fund has used.

**SECTION 8. REVENUE-SHARING PAYMENT**

A. As part of the consideration for CITY'S granting the CONCESSION rights hereinabove set forth, CONCESSIONAIRE shall pay to CITY a revenue-sharing fee of:

- Percentage of Gross Receipts of all Sales:

Annual Sales From	Annual Sales To	Revenue Share
\$1.00	\$1,000,000.00	25%
\$1,000,001.00	\$2,000,000.00	30%
\$2,000,001.00	\$3,000,000.00	35%
\$3,000,001.00+	-----	38%

or

- The Annual Minimum Revenue-Sharing Guarantee:

Years	Annual Minimum Revenue Share
1-5	\$400,000.00
6-10	\$420,000.00
11-15	\$442,000.00

whichever is greater.

Refer to Section 8.C for the definition of "Gross Receipts."

If the annual minimum revenue-sharing is not met by December 31st of each calendar year, the difference between the actual revenue-sharing payment received by the Department and the annual minimum revenue-sharing payment will be due to the Department by January 15th of the subsequent year, pro-rated as necessary for the first year of operation or fractional part thereof, and prorated as necessary for the final year of operation or fractional part thereof.

Use of the PREMISES for purposes not expressly permitted herein, whether approved in writing by the DEPARTMENT or not, may result in additional charges; however, any such use without the prior written approval of the DEPARTMENT shall also constitute a material breach of AGREEMENT and is prohibited.

**B. Revenue-Sharing Payment Due:**

Said payment shall be due and payable (postmarked) by the fifteenth (15th) day of each calendar month based on the gross receipts received in each previous month. The payment and completed Remittance Advice Form (Section 8.D) shall be addressed to:

DEPARTMENT OF RECREATION AND PARKS  
ATTENTION: Partnership and Revenue Branch/Concessions Unit  
P.O. Box 86610  
Los Angeles, California 90086-0610

**C. Gross Receipts Defined:**

The term "gross receipts" is defined as the total amount charged for the sale of any goods or services (whether or not such services are performed as a part of or in connection with the sale of goods) provided in connection with this CONCESSION, but not including any of the following:

1. Cash discounts allowed or taken on sales;

2. Any sales taxes, use taxes, or excise taxes required by law to be included in or added to the purchase price and collected from the consumer or purchaser and paid by CONCESSIONAIRE;
3. California Redemption Value (CRV);
4. Receipts from the sale of waste or scrap materials resulting from the CONCESSION operation;
5. Receipts from the sale of or the trade-in value of any furniture, fixtures, or equipment used in connection with the CONCESSION, and owned by CONCESSIONAIRE;
6. The value of any merchandise, supplies, or equipment exchanged or transferred from or to other business locations of CONCESSIONAIRE where such exchanges or transfers are not made for the purpose of avoiding a sale by CONCESSIONAIRE which would otherwise be made from or at the PREMISES;
7. Refunds from, or the value of, merchandise, supplies, or equipment returned to shippers, suppliers, or manufacturers;
8. Receipts from the sale at cost of uniforms, clothing, or supplies to CONCESSIONAIRE'S employees where such uniforms, clothing, or supplies are required to be worn or used by said employees;
9. Receipts from any sale where the subject of such sale, or some part thereof, is thereafter returned by the purchaser to and accepted by CONCESSIONAIRE, to the extent of any refund actually granted or adjustment actually made, either in the form of cash or credit;
10. Fair market trade-in allowance, in the event merchandise is taken in trade;
11. The amount of any cash or quantity discounts received from sellers, suppliers, or manufacturers;
12. Discounts or surcharges applied to receipts for services or merchandise, with the concurrence of both CONCESSIONAIRE and the DEPARTMENT, including discounts to employees, if concurred by the DEPARTMENT;
13. Credit/debit card fees.
14. Donations to FOTO received from patrons after a transaction has been completed. These are amounts either in whole, or as a remnant from a closed transaction, that are clearly itemized on the applicable receipt/s as a "donation." Proceeds from these donations shall be paid directly to FOTO,

however, they will be itemized on the monthly rental remittance for the purposes of disclosure and official records. Collection of said donations is not mandatory.

CONCESSIONAIRE shall not reduce or increase the amount of gross receipts, as herein defined, as a result of any of the following:

15. Any error in cash handling by CONCESSIONAIRE or CONCESSIONAIRE'S employees or agents;
16. Any losses resulting from bad checks received from the consumers or purchasers; or from dishonored credit, charge, or debit card payments; or any other dishonored payment to CONCESSIONAIRE by customer or purchaser;
17. Any arrangement for a rebate, kickback, or hidden credit given or allowed to customer.

**D. Monthly Revenue-Sharing Reports:**

CONCESSIONAIRE shall transmit with each revenue-sharing payment a Monthly Gross Receipts and Revenue-sharing Report, also referred to as a Remittance Advice Form (Exhibit D), each month for which revenue sharing payment is submitted.

**E. Late Payment Fee:**

Failure of CONCESSIONAIRE to pay any of the revenue-sharing payments or any other fees, charges, or payments required herein on time is a breach of the AGREEMENT for which CITY may terminate same or take such other legal action as it deems necessary.

Without waiving any rights available at law, in equity or under the AGREEMENT, in the event of late or delinquent payments by CONCESSIONAIRE, the latter recognizes that CITY will incur certain expenses as a result thereof, the amount of which is difficult to ascertain. Therefore, in addition to monies owing, CONCESSIONAIRE agrees to pay CITY a late fee set forth below to compensate CITY for all expenses and/or damages and loss resulting from said late or delinquent payments.

The charges for late or delinquent payments shall be One Hundred Fifty Dollars (\$150.00) for each month late plus interest calculated at the rate of eighteen percent (18%) per annum, assessed monthly, on the balance of the unpaid amount. Payments shall be considered past due if postmarked after the fifteenth (15th) day of the month in which payment is due.

The acceptance of late revenue-sharing payment by CITY shall not be deemed as a waiver of any other breach by CONCESSIONAIRE of any term or condition of

this AGREEMENT other than the failure of CONCESSIONAIRE to timely make the particular revenue-sharing payment so accepted.

**F. Pro Rata Payment:**

If the execution or termination of the AGREEMENT falls on any date other than the first or last day of any calendar month, the applicable revenue share payment for said month, if it is based on a flat rate or a minimum revenue share, shall be paid by CONCESSIONAIRE to CITY pro rata in the same proportion that the number of days the AGREEMENT is in effect for that month bears to the total number of days in that month.

**SECTION 9. INSURANCE**

Concessionaire shall follow insurance guidelines in the STANDARD PROVISIONS (Exhibit A); provide and maintain the Required Insurance and Minimum Limits (Exhibit C); and follow the Instructions and Information on Complying with City Insurance Requirements documents (Exhibit C).

**SECTION 10. ADDITIONAL FEES AND CHARGES**

If CITY pays any sum or incurs any obligations or expense which CONCESSIONAIRE has agreed to pay or reimburse CITY for, or if CITY is required or elects to pay any sum or to incur any obligations or expense by reason of the failure, neglect or refusal of CONCESSIONAIRE to perform or fulfill any one or more of the conditions, covenants or agreements contained in the AGREEMENT, or as a result of an act or omission of CONCESSIONAIRE contrary to said conditions, covenants and agreements, CONCESSIONAIRE agrees to pay to CITY the sum so paid or the expense so incurred, including all interest, costs, (including CITY'S fifteen percent [15%] administrative overhead cost), damages and penalties. This amount shall be added to the rental payment thereafter due hereunder, and each and every part of the same shall be and become additional rental payment, recoverable by CITY in the same manner and with like remedies as if it were originally a part of the basic rental payment set forth in Section 8 hereof.

For all purposes under this Section, and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing the payment of any sum by CITY for any work done or material furnished shall be prima facie evidence against CONCESSIONAIRE that the amount of such payment was necessary and reasonable. Should CITY elect to use its own operating and/or maintenance personnel in making any repairs, replacements and/or alterations and to charge CONCESSIONAIRE with the cost of same, receipts and timesheets will be used to establish the charges, which shall be presumed to be reasonable in absence of contrary proof submitted by CONCESSIONAIRE.



## **SECTION 11. MAINTENANCE OF PREMISES**

During all periods that the PREMISES are used or are under the control of the CONCESSIONAIRE for the uses, purposes, and occupancy aforesaid, CONCESSIONAIRE shall be responsible for all necessary janitorial duties and damage/maintenance repairs, to the satisfaction of the DEPARTMENT. The cause of said maintenance, cleaning and repairs may result from normal wear and tear, as well as vandalism.

### **A. Interior of Premises:**

1. **Areas to be Maintained by CONCESSIONAIRE:**  
Subject to written approval by the DEPARTMENT, CONCESSIONAIRE shall, at its own expense, keep and maintain all the interior walls and surfaces of PREMISES and all improvements, fixtures, and utility systems which may now or hereafter exist thereon, whether installed by CITY or CONCESSIONAIRE. Improvements shall include all build-outs and appurtenances recessed into or attached by any method to the walls, ceiling, or floor of the CONCESSION.
2. **Duties:**  
CONCESSIONAIRE'S maintenance duties shall include all sweeping, washing, servicing, repairing, replacing, cleaning, and interior painting that may be required to properly maintain the premises in a safe, clean, operable, and attractive condition. CONCESSIONAIRE shall provide for such repairs, replacements, rebuilding, and restoration as may be required with prior written approval by the DEPARTMENT (acting through Observatory management) to comply with the requirements hereof. Those duties shall also include electrical, mechanical, and plumbing maintenance in the interior of the premises, such as light fixtures, toilets, and faucets.

### **B. Exterior of Premises and Common Passageways:**

CITY shall maintain the exterior of all buildings and will endeavor to perform all exterior repairs occasioned by normal wear and tear, and the elements, unless otherwise provided for in the AGREEMENT. Common passageways leading to other CONCESSION facilities or offices maintained by the DEPARTMENT which also lead to the PREMISES shall not be considered under the control of CONCESSIONAIRE for purposes of this Section.

### **C. Correction of Conditions Leading to Damage:**

If CONCESSIONAIRE fails, after written notice, to correct such conditions which have led or, in the opinion of DEPARTMENT agents, could lead to significant damage to DEPARTMENT property, the DEPARTMENT may at its option, and in addition to all other remedies which may be available to it, repair, replace, rebuild, redecorate or paint any such CONCESSION included in said notice, with the cost

thereof, plus fifteen percent (15%) for administrative overhead, to be paid by CONCESSIONAIRE to the DEPARTMENT on demand.

**D. Property Damage and Theft Reporting:**

CONCESSIONAIRE shall work with Park Rangers to complete and submit to the DEPARTMENT a "Special Occurrence and Loss Report," (Exhibit F) in the event that the PREMISES and/or CITY-owned property is damaged or destroyed, in whole or in part, from any cause whatsoever, and in event of theft, burglary, or other crime committed on the PREMISES. The DEPARTMENT shall provide forms for this purpose.

**E. Damage or Destruction to Premises:**

**1. Partial Damage**

If all or a portion of the PREMISES are partially damaged by fire, explosion, flooding inundation, floods, the elements, public enemy, or other casualty, but not rendered uninhabitable, the same will be repaired with due diligence by CITY at its own cost and expense, subject to the limitations as hereinafter provided; if said damage is caused by the negligent acts or omissions of CONCESSIONAIRE, its agents, officers, or employees, CONCESSIONAIRE shall be responsible for reimbursing CITY for the cost and expense incurred in making such repairs.

**2. Extensive Damage**

If the damages as described above in "Partial Damage" are so extensive as to render the PREMISES or a portion thereof uninhabitable, but are capable of being repaired within a reasonable time not to exceed sixty (60) days, the same shall be repaired with due diligence by CITY at its own cost and expense and a negotiated portion of the fees and charges payable hereunder shall abate from the time of such damage until such time as the PREMISES are fully restored and certified by DEPARTMENT as again ready for use; provided, however, that if such damage is caused by the negligent acts or omissions of CONCESSIONAIRE, its agents, officers, or employees, said fees and charges will not abate and CONCESSIONAIRE shall be responsible for the cost and expenses incurred in making such repairs.

**3. Complete Destruction**

In the event all or a substantial portion of the PREMISES are completely destroyed by fire, explosion, the elements, public enemy, or other casualty, or are so damaged that they are uninhabitable and cannot be replaced except after more than sixty (60) days, CITY shall be under no obligation to repair, replace or reconstruct said PREMISES, and an appropriate portion of the fees and charges payable hereunder shall abate as of the time of such damage or destruction and shall henceforth cease until such time as the said PREMISES are fully restored. If within four (4) months after the time of such damage or destruction said PREMISES have not been repaired or reconstructed,

CONCESSIONAIRE may terminate this AGREEMENT in its entirety as of the date of such damage or destruction. Notwithstanding the foregoing, if the said PREMISES, or a substantial portion thereof, are completely destroyed as a result of the negligent acts or omissions of CONCESSIONAIRE, its agents, officers, or employees, said fees and charges shall not abate and CITY may, in its discretion, require CONCESSIONAIRE to repair and reconstruct the same within twelve (12) months of such destruction and CONCESSIONAIRE shall be responsible for reimbursing CITY for the cost and expenses incurred in making such repairs.

4. Limits of CITY'S Obligation Defined

In the application of the foregoing provisions, CITY may, but shall not be obligated to, repair or reconstruct the PREMISES. If CITY chooses to do so, CITY'S obligation shall also be limited to repair or reconstruction of the PREMISES to the same extent and of equal quality as obtained by CONCESSIONAIRE at the commencement of its operations hereunder. Redecoration and replacement of furniture, equipment and supplies included within CONCESSIONAIRE'S office furniture and equipment costs shall be the responsibility of CONCESSIONAIRE and any such redecoration and refurbishing/re-equipping shall be equivalent in quality to that originally installed.

**F. Pest Control:**

CITY shall perform and pay for pest control in or on structures or areas maintained by CITY. CONCESSIONAIRE shall likewise, within its premises, provide pest control as needed to prevent the proliferation of pests, in addition to its routine hygiene practices. DEPARTMENT may direct CONCESSIONAIRE to take additional measures to abate pests, which are an immediate threat to public health or safety.

**SECTION 12. PROHIBITED ACTS**

CONCESSIONAIRE shall not:

1. Use the PREMISES to conduct any other business operations of CONCESSIONAIRE not related to the CONCESSION;
2. Do or allow to be done anything which may interfere with the effectiveness or accessibility of utility, heating, ventilating, or air conditioning systems or portions thereof on the PREMISES or elsewhere on the CONCESSION, nor do or permit to be done anything which may interfere with free access and passage in the PREMISES or the public areas adjacent thereto, or in the streets, sidewalks or walkways adjoining the PREMISES, or hinder police, fire fighting or other emergency personnel in the discharge of their duties;

3. Interfere with the public's enjoyment and use of the CONCESSION or use the PREMISES for any purpose which is not essential to the CONCESSION operations;
4. Sell lottery merchandise, and shall not sell any food or beverage items;
5. Rent, sell, lease or offer any space for storing of any articles whatsoever within or on the PREMISES other than specified herein, without the prior written approval of the DEPARTMENT;
6. Overload any floor or roof in the PREMISES;
7. Place any additional lock of any kind upon any window or interior or exterior door in the PREMISES, or make any change in any existing door or window lock or the mechanism thereof, unless a key therefore is maintained on the PREMISES, nor refuse, upon the expiration or sooner termination of the AGREEMENT, to surrender to DEPARTMENT any and all keys to the interior or exterior doors on the PREMISES, whether said keys were furnished to or otherwise procured by CONCESSIONAIRE, and in the event of the loss of any keys furnished by DEPARTMENT, CONCESSIONAIRE shall pay CITY, on demand, the cost for replacement thereof;
8. Do or permit to be done any act or thing upon the PREMISES which will invalidate, suspend or increase (except in connection with increased or changed usage) the rate of any insurance policy required under the AGREEMENT, or carried by CITY, covering the PREMISES, or the buildings in which the same are located or which, in the opinion of DEPARTMENT, may constitute a hazardous condition that will increase the risks normally attendant upon the operations contemplated under the AGREEMENT, provided, however, that nothing contained herein shall preclude CONCESSIONAIRE from bringing, keeping or using on or about the PREMISES such materials, supplies, equipment and machinery as are appropriate or customary in carrying on its business, or from carrying on said business in all respects as is customary;
9. Use, create, store or allow any hazardous materials as defined in Title 26, Division 19.1, Section 19-2510 of the California Code of Regulations, or those which meet the criteria of the above Code, as well as any other substance which poses a hazard to health and environment, provided, however, that nothing contained herein shall preclude CONCESSIONAIRE from bringing, keeping or using on or about the PREMISES such materials, supplies, equipment and machinery as are appropriate or customary in carrying on its business, or from carrying on said business in all respects as is customary except that all hazardous materials must be stored and used in compliance with all City, State and Federal rules, regulations, ordinances and laws;
10. Permit undue loitering on or about the PREMISES;

11. Use the PREMISES in any manner that will constitute waste;
12. Use or allow the PREMISES to be used for, any improper, immoral, or unlawful purposes;
13. Install or allow the installation of video games, vending machines, Automated Teller Machines (ATMs), or other product/service related machine without the prior written approval of the DEPARTMENT, acting through Observatory management;
14. Permit gambling on the PREMISES or install or operate or permit to be installed or operated thereon, any device which is illegal; or use the PREMISES or permit it to be used for any illegal business or purpose; nor
15. Permit smoking in the PREMISES in conformance with AB13 California Smoke-Free Workplace Law. Any exceptions to this policy will require the prior written approval of the DEPARTMENT.

### **SECTION 13. PERFORMANCE DEPOSIT**

#### **A. Deposit Amount:**

CONCESSIONAIRE shall provide the DEPARTMENT a sum equal to One Hundred Thousand Dollars (\$100,000.00) for the term of the AGREEMENT. As the CONCESSIONAIRE is the incumbent from the previous agreement, the current Twenty Thousand Dollars (\$20,000.00) deposit will be retained, however, the difference between the previous deposit and the current deposit will be due within thirty (30) days of execution of the AGREEMENT.

#### **B. Form of Deposit:**

CONCESSIONAIRE'S Deposit shall be in the form of a cashier's check drawn on any recognized local bank, which cashier's check is payable to the order of the City of Los Angeles.

#### **C. Agreement of Deposit and Indemnity:**

CONCESSIONAIRE unconditionally agrees that in the event of any material default of this AGREEMENT by CONCESSIONAIRE and consequent termination by CITY, CITY shall have full power and authority to use the deposit in whole or in part to indemnify CITY. All deposits of cash or checks must be immediately so deposited by the DEPARTMENT.

#### **D. Maintenance of Deposit:**

CITY shall hold CONCESSIONAIRE'S deposit during the entire term of the AGREEMENT.

#### **E. Return of Deposit to CONCESSIONAIRE:**

Said Deposit shall be returned to CONCESSIONAIRE and any rights assigned to Deposit shall be surrendered by CITY in writing, after the expiration or earlier termination of the AGREEMENT and the later of (i) any exit audits and inspections performed in conjunction with the AGREEMENT, or (ii) ninety (90) days thereafter. The CITY reserves the right to deduct from the Deposit, any amounts up to and including the full amount of the Deposit as stated herein, owed to the CITY by CONCESSIONAIRE as shown by any exit audits performed by the CITY, or as compensation to CITY material breach by CONCESSIONAIRE of this AGREEMENT. CONCESSIONAIRE shall have the right to challenge the accuracy of such audit and/or the propriety of any claim by CITY against the funds, and in the event that the parties fail to reach agreement concerning the disposition of the funds, may institute appropriate dispute resolution or legal proceedings.

## **SECTION 14. BUSINESS RECORDS**

### **A. Employee Fidelity Bonds:**

At the DEPARTMENT'S discretion, adequate employee fidelity bonds may be required to be maintained by CONCESSIONAIRE covering all its employees who handle money.

### **B. Cash and Record Handling Requirements:**

If requested by DEPARTMENT, CONCESSIONAIRE shall prepare a description of its cash handling and sales recording systems and equipment to be used for operation of the CONCESSION, which shall be submitted to DEPARTMENT for approval.

CONCESSIONAIRE shall be required to maintain a method of accounting in compliance with Generally Accepted Accounting Principles of the CONCESSION, which shall correctly and accurately reflect the gross receipts and disbursements received or made by CONCESSIONAIRE from the operation of the CONCESSION. The method of accounting, including bank accounts, established for the CONCESSION shall be separate from the accounting systems used for any other business operated by CONCESSIONAIRE or for recording CONCESSIONAIRE'S personal financial affairs. Such method shall include keeping the following documents:

1. Regular books of accounting such as general ledgers.
2. Journals including supporting and underlying documents such as vouchers, checks, tickets, bank statements, etc.
3. State and Federal income tax returns, sales tax returns, checks, and other documents proving payment of sums shown.
4. Cash register tapes so that day-to-day sales can be identified. A cash register must be used in public view, which prints a dated double tape, indicating each sale and the daily total.
5. Any other accounting records that CITY, in its sole discretion, deems necessary for proper reporting of receipts.

**C. Method of Recording Gross Receipts:**

Unless otherwise specified in the AGREEMENT, CONCESSIONAIRE and approved SUB-CONTRACTORS shall obtain and install a cash register(s) on which it shall record all gross sales. The cash register shall be non-resettable and sufficient to supply an accurate recording of all sales on tape. CONCESSIONAIRE shall not purchase or install the register before obtaining the DEPARTMENT'S written approval of the specific register to be purchased. All cash registers shall have a price display, which is and shall remain at all times visible to the public.

**D. Annual Statement of Gross Receipts and Expenses:**

CONCESSIONAIRE shall transmit certified financial statements for the CONCESSION operations, prepared in a form acceptable to the DEPARTMENT, on or before March 15th for the foregoing calendar year during the term of the AGREEMENT. Notwithstanding the expiration of the AGREEMENT on *Month Date, Year*, the certified financial statements provisions shall survive the expiration of the AGREEMENT and the final certified financial statements shall be filed on or prior to January 15th of the calendar year after the expiration of the AGREEMENT.

The annual certified financial statements shall include an attachment containing all gross receipts and expenses.

Failure to provide the certified financial statements described above, within the prescribed time allowed, shall be cause for the DEPARTMENT to call for an immediate audit of the CONCESSION operations. CONCESSIONAIRE shall be charged for the full cost of labor, mileage, and materials expended in the investigation and preparation of the audit, plus thirty percent (30%) of said costs for administrative overhead.

**E. Audits:**

All documents, books and accounting records shall be open for inspection and reinsertion at any reasonable time during the term of the AGREEMENT, and for a reasonable period, not to exceed one year, thereafter. In addition, CITY may from time to time conduct an audit and re-audit of the books and businesses conducted by CONCESSIONAIRE and observe the operation of the business so that accuracy of the above records can be confirmed. If the report of gross sales made by CONCESSIONAIRE to CITY shall be found to be less than the amount of gross sales disclosed by such audit and observation, CONCESSIONAIRE shall pay CITY within thirty (30) days after billing any additional rentals disclosed by such audit. If discrepancy exceeds two percent (2%) and no reasonable explanation is given for such discrepancy, CONCESSIONAIRE shall also pay the cost of the audit.

All records obtained or created in connection with CITY'S inspections of record or audits, will be or become subject to public inspection and production as public records, except to the extent that certain records or information are not required by law to be disclosed.

## **SECTION 15. REGULATIONS, INSPECTION, AND DIRECTIVES**

### **A. Constitutional and Other Limits on CONCESSIONAIRE'S Rights to Exclusivity:**

Notwithstanding exclusivity granted to CONCESSIONAIRE by the terms of this AGREEMENT, the CITY in its discretion may require CONCESSIONAIRE, without any reduction in rent or other valuable consideration to CONCESSIONAIRE, to accommodate the rights of persons to access and engage in expressive activities, as guaranteed by the first amendment to the United States constitution, the California constitution, and other laws, as these laws are interpreted by the City. Expressive activities include, but are not limited to, protesting, picketing, proselytizing, soliciting, begging, and vending of certain expressive, message-bearing items.

### **B. Conformance with Laws:**

1. Any and all applicable rules, regulations, orders, and restrictions which are now in force or which may be hereafter adopted by CITY with respect to the operation of the CONCESSION;
2. Any and all orders, directions or conditions issued, given, or imposed by DEPARTMENT with respect to the use of the roadways, driveways, curbs, sidewalks, parking areas, or public areas adjacent to the PREMISES;
3. Any and all applicable laws, ordinances, statutes, rules, regulations or orders, including the LAMC, LAAC, the Charter of the City of Los Angeles, and of any governmental authority, federal, state or municipal, lawfully exercising authority over the CONCESSIONAIRE'S operations; and,
4. Any and all applicable local, state and federal laws and regulations relative to the design and installation of facilities to accommodate disabled persons.

### **C. Permissions:**

Any permission required by the AGREEMENT shall be secured in writing by CONCESSIONAIRE from CITY or the DEPARTMENT and any errors or omissions therefrom shall not relieve CONCESSIONAIRE of its obligations to faithfully perform the conditions therein. CONCESSIONAIRE shall immediately comply with any written request or order submitted to it by CITY or the DEPARTMENT.

### **D. Right of Inspection and Access to CONCESSION:**

CITY and the DEPARTMENT, their authorized representatives, agents and employees shall possess and maintain the right to enter upon the PREMISES at any and all times. Said access and/or inspections may be made at any time by persons identified to CONCESSIONAIRE as CITY employees, or CITY authorized persons. Inspections may be made for the purpose set forth below, however, the enumerations below shall not be construed to limit CITY'S right of inspection for any purpose incidental to the rights of CITY:



1. To determine if CONCESSIONAIRE is complying with the terms and conditions of the AGREEMENT.
2. To observe transactions between the CONCESSIONAIRE and patrons in order to evaluate the quality and quantities of services provided or items sold or dispensed, the courtesy extended to and method of dealing with the public, the performance and caliber of CONCESSIONAIRE'S employees, subcontractor employees and the methods for recording receipts.

The information gathered on these inspections may be used to evaluate CONCESSIONAIRE to provide a basis for an action by CITY for the termination, renewal or denial of extensions to the AGREEMENT or for any other appropriate action.

**E. Control of Premises:**

CITY shall at all times retain and possess absolute and full access to the PREMISES and all its appurtenances during the term of the AGREEMENT and may make such changes and alterations therein, and in the grounds surrounding same, as may be determined by said CITY. Such determination shall not be unreasonable and shall take into account the business considerations presented by CONCESSIONAIRE.

**F. Business Inclusion Program:**

CONCESSIONAIRE agrees and obligates itself to utilize the services of Minority, Women, Small, Emerging, Disabled Veteran and Other Business Enterprise firms on a level so designated in its proposal, Schedule A (Exhibit G). CONCESSIONAIRE certifies that it has complied with Executive Directive No. 14 regarding the Outreach Program. CONCESSIONAIRE shall not change any of these designated sub consultants and subcontractors, nor shall CONCESSIONAIRE reduce their level of effort, without prior written approval of the CITY, provided that such approval shall not be unreasonably withheld.

During the term of the AGREEMENT, CONCESSIONAIRE must submit the MBE/WBE/SBE/EBE/DVBE/OBE Utilization Profile, Schedule B (Exhibit H) when submitting the Monthly Event Closing Statement. Upon completion of the project, a summary of these records shall be prepared on the "Final Subcontracting Report" form, Schedule C (Exhibit I) and certified correct by the CONCESSIONAIRE or its authorized representative. The completed Schedule C shall be furnished to the DEPARTMENT within fifteen (15) working days after completion of the AGREEMENT.

**G. First Source Hiring Ordinance:**

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

1. CONCESSIONAIRE shall, prior to the execution of the contract, provide to the Designated Administrative Agency (DAA) a list of anticipated employment

opportunities that CONCESSIONAIRE estimates it will need to fill in order to perform the services under the AGREEMENT. The Department of Public Works, Bureau of Contract Administration is the DAA.

2. CONCESSIONAIRE further pledges that it will, during the term of the AGREEMENT:
  - a. At least seven (7) business days prior to making an announcement of a specific employment opportunity, provide notifications of that employment opportunity to the Economic and Workforce Development Department of Los Angeles (EWDD), which will refer individuals for interview;
  - b. Interview qualified individuals referred by EWDD; and
  - c. Prior to filling any employment opportunity, the CONCESSIONAIRE shall inform the DAA of the names of the Referral Resources used, the names of the individuals they referred, the names of the referred individuals who the CONCESSIONAIRE interviewed and the reasons why referred individuals were not hired.
3. Subcontract entered into by the CONCESSIONAIRE relating to this AGREEMENT, to the extent allowed hereunder, shall be subject to the provisions of CONCESSIONAIRE, and shall incorporate the FSHO.
4. CONCESSIONAIRE shall comply with all rules, regulations and policies promulgated by the designated administrative agency, which may be amended from time to time.

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

Under the provisions of Section 10.44.8 of the LAAC, the Awarding Authority shall, under appropriate circumstances, terminate this AGREEMENT and otherwise pursue legal remedies that may be available if the DAA determines that the subject CONCESSIONAIRE has violated provisions of the FSHO.

#### **H. CEC Form 50:**

Certain contractors agree to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if those contractors qualify as a lobbying entity under Los Angeles Municipal Code 48.02. CEC Form 50 attached as Exhibit J. Responses submitted without a completed CEC Form 50, by proposers that qualify as a lobbying entity under Los Angeles Municipal Code 48.02 shall be deemed nonresponsive.

#### Bidder Contributions – City Charter Sections 470(c) (12)

Persons who submit a response to this solicitation (bidders) are subject to Charter Section 470(c) (12) and related ordinances. As a result, bidders may not make campaign contributions to and or engage in fundraising for certain elected City officials or candidates for elected City office from the time they submit the response until either the contract is approved or, for successful bidders, twelve (12) months after the contract is signed. The bidder's principals and subcontractors performing One Hundred Thousand Dollars (\$100,000.00) or more in work on the contract, as well as the principals of those subcontractors, are also subject to the same limitations on campaign contributions and fundraising.

#### **I. CEC Form 55:**

CEC Form 55 requires bidders to identify their principals, their subcontractors performing One Hundred Thousand Dollars (\$100,000.00) or more in work on the contract, and the principals of those subcontractors. Bidders must also notify their principals and subcontractors in writing of the restrictions and include the notice in contracts with subcontractors. Responses submitted without a completed CEC Form 55 shall be deemed nonresponsive. Bidders who fail to comply with City law may be subject to penalties, termination of contract, and debarment. Additional information regarding restrictions and requirements may be obtained from the City Ethics Commission at (213) 978-1960 or [ethics.lacity.org](http://ethics.lacity.org).

### **SECTION 16. SURRENDER OF POSSESSION**

CONCESSIONAIRE agrees to yield and deliver possession of the PREMISES to CITY on the date of the expiration or earlier termination of the AGREEMENT promptly, peaceably, quietly, and in as good order and condition as the same now is or may be hereafter improved by CONCESSIONAIRE or CITY, normal use and wear and tear thereof excepted.

No agreement of surrender or to accept a surrender shall be valid unless and until the same is in writing and signed by the duly authorized representatives of CITY and CONCESSIONAIRE. Neither the doing nor omission of any act or thing by any of the officers, agents or employees of CITY shall be deemed an acceptance of a surrender of the PREMISES utilized by CONCESSIONAIRE under the AGREEMENT.

### **SECTION 17. FORCE MAJEURE**

The term "force majeure" as used herein is defined as acts of God; strikes, lockouts, or other labor disturbances (when not brought solely against CONCESSIONAIRE, its subcontractors, or material suppliers); acts of public enemy, blockades, wars, terrorism, insurrections, or riots; epidemics; landslides, earthquakes, fires, storms, or floods; arrests, title disputes; governmental restraints, either federal or state, civil or military; civil disturbances; explosions; so long as the above causes or events are beyond the control of the affected party.

Should CONCESSIONAIRE be delayed, materially interrupted or prevented, in whole or in part, from performing any obligations or conditions hereunder or from exercising its rights by reason of or as a result of any force majeure, it shall be excused from performing such obligations or conditions during such period of delay, material interruption, or prevention. Should either party be delayed, materially interrupted or prevented from performing any obligation or exercising any right hereunder for a period exceeding six (6) months by a force majeure event, the delayed party shall meet and confer with the other party on plans and schedule to resolve delay or commence performance.

However, without limiting the preceding language in this Section, should national or international events occur such as terrorism or the threat of terrorism have a material impact on the ability of CONCESSIONAIRE to provide service on the PREMISES and meet its financial obligations to the CITY under this AGREEMENT, CITY and CONCESSIONAIRE shall meet and confer in good faith to review and determine what remedies, relief or abatement is equitable or appropriate as a result of or response to such events or terrorism.

#### **SECTION 18. LIMITS ON CONCESSIONAIRE'S RIGHTS TO EXCLUSIVITY**

Notwithstanding exclusivity granted to Concessionaire by the terms of this Agreement, the City in its discretion may require Concessionaire, without any reduction in rent or other valuable consideration to Concessionaire, to accommodate the rights of persons to access and engage in expressive activities, as guaranteed by the first amendment to the United States constitution, the California constitution, and other laws, as these laws are interpreted by the City. Expressive activities include, but are not limited to, protesting, picketing, proselytizing, soliciting, begging, and vending of certain expressive, message-bearing items.

#### **SECTION 19. NOTICES**

##### **A. To CITY:**

Unless otherwise stated in the AGREEMENT, written notices to CITY hereunder shall be addressed to:

Department of Recreation and Parks  
Attention: Partnership and Revenue Branch/Concessions Unit  
P. O. Box 86610  
Los Angeles, California 90086-0610

All such notices may either be delivered personally or may be deposited in the United States mail, properly addressed as aforesaid with postage fully prepaid for delivery by registered or certified mail. Service in such manner by registered or certified mail shall be

effective upon receipt. CITY shall provide CONCESSIONAIRE with written notice of any address change within thirty (30) days of the occurrence of said change.

**B. To CONCESSIONAIRE:**

The execution of any notice to CONCESSIONAIRE by DEPARTMENT shall be as effective for CONCESSIONAIRE as if it were executed by BOARD, or by Resolution or Order of said BOARD. All such notices may either be delivered personally to the CONCESSIONAIRE or to any officer or responsible employee of CONCESSIONAIRE; may be deposited in the United States mail; or may be sent via electronic mail (E-mail).

Written notices to CONCESSIONAIRE shall be addressed to CONCESSIONAIRE as follows:

**Event Network, Inc.  
9606 Aero Drive, Suite 1000  
San Diego, CA 92123**

Attn: Jerry Gilbert, Principal  
(503) 635-1249  
Jerry.Gilbert@eventnetwork.com

CONCESSIONAIRE shall provide CITY with written notice of any address change within thirty (30) calendar days of the occurrence of said address change.

**SECTION 20. FAILURE TO TIMELY EXECUTE AGREEMENT**

Should CONCESSIONAIRE fail to execute this AGREEMENT and deliver it to DEPARTMENT within thirty (30) days of this AGREEMENT's being provided to CONCESSIONAIRE for its execution, the DEPARTMENT has the right, at its sole discretion, to rescind the award of the CONCESSION to CONCESSIONAIRE, in which case this AGREEMENT, even if already executed by DEPARTMENT, is of no force or effect.

**SECTION 21. RATIFICATION**

At the request of the DEPARTMENT, should there be a need therefor, CONCESSIONAIRE will begin performance of the services required hereunder prior to the execution hereof. By its execution hereof, the DEPARTMENT hereby accepts such service subject to all the terms, covenants, and conditions of this AGREEMENT, and ratifies its AGREEMENT with CONCESSIONAIRE for such services.

**SECTION 22. INCORPORATION OF DOCUMENTS**

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

- A. Standard Provisions for City Contracts (Rev. 3/09)
- B. Premises Map
- C. Required Insurance and Minimum Limits; Instructions and Information on Complying with City Insurance Requirements
- D. Remittance Advice Form
- E. Form General No. 87 "Non-Employee Accident or Illness Report"
- F. Special Occurrence and Loss Report
- G. Schedule A, MBE/WBE/SBE/EBE/DVBE/OBE Subcontractors Information Form
- H. Schedule B, MBE/WBE/SBE/EBE/DVBE/OBE Utilization Profile
- I. Schedule C, Final Subcontracting Report
- J. CEC Form 50, Bidder Certification
- K. Facility Improvement Excerpt - Proposal from Event Network, Inc.

In the event of any inconsistency between any of the provisions of this AGREEMENT and/or exhibits attached hereto, the inconsistency shall be resolved by giving precedence in the following order: 1) This AGREEMENT exclusive of attachments, 2) Exhibit A, 3) Exhibit B, 4) Exhibit C, 5) Exhibit D, 6) Exhibit K, 7) Exhibit E, 8) Exhibit F, 9) Exhibit G, 10) Exhibit H, 11) Exhibit I, and 12) Exhibit J.

*(Signature Page to Follow)*

**IN WITNESS WHEREOF, THE CITY OF LOS ANGELES** has caused this **AGREEMENT** to be executed on its behalf by its duly authorized General Manager of the Department of Recreation and Parks, and **CONCESSIONAIRE** has executed the same as of the day and year herein below written.

**THE CITY OF LOS ANGELES**, a municipal corporation, acting by and through the Board of Recreation and Park Commissioners

BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
MICHAEL A. SHULL  
General Manager

CONCESSIONAIRE

BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED AS TO FORM:  
MICHAEL N. FEUER, City Attorney

BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
STREFAN FAUBLE  
Deputy City Attorney III

Business Tax Registration Certificate Number: \_\_\_\_\_

Internal Revenue Service Taxpayer Identification Number: \_\_\_\_\_

AGREEMENT Number: \_\_\_\_\_

## STANDARD PROVISIONS FOR CITY CONTRACTS

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## STANDARD PROVISIONS FOR CITY CONTRACTS

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

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

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

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

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

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

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

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

**PSC-4. TIME OF EFFECTIVENESS**

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

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

**PSC-5. INTEGRATED CONTRACT**

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

**PSC-6. AMENDMENT**

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

**PSC-7. EXCUSABLE DELAYS**

In the event that performance on the part of any party hereto is delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension. Circumstances deemed to be beyond the control of the parties hereunder include, but are not limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires; floods; earthquakes; epidemics; quarantine restrictions; strikes; freight embargoes or delays in transportation, to the extent that they are not caused by the party's willful or negligent acts or omissions, and to the extent that they are beyond the party's reasonable control.

**PSC-8. BREACH**

Except for excusable delays as described in PSC-7, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights

and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

**PSC-9. WAIVER**

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

**PSC-10. TERMINATION**

**A. TERMINATION FOR CONVENIENCE**

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

**B. TERMINATION FOR BREACH OF CONTRACT**

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

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

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

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

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

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

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

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

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

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

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

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

**PSC-14. PERMITS**

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

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

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

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

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

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

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

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

**PSC-18. FALSE CLAIMS ACT**

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

**PSC-19. BONDS**

All bonds which may be required hereunder shall conform to **CITY** requirements established by Charter, ordinance or policy, and shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Sections 11.47 through 11.56 of the Los Angeles Administrative Code.

**PSC-20. INDEMNIFICATION**

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

**PSC-21. INTELLECTUAL PROPERTY INDEMNIFICATION**

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**PSC-29. AFFIRMATIVE ACTION PROGRAM**

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

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

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

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

(\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a **CITY** contract.

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

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

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

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

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

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

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

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



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

- A. Unless otherwise exempt, this Contract is subject to the applicable provisions of the Living Wage Ordinance (LWO), Section 10.37 *et seq.* of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 *et seq.*, of the Los Angeles Administrative Code, as amended from time to time. These Ordinances require the following:
1. **CONTRACTOR** assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of compensated and uncompensated days off and health benefits, as defined in the LWO.
  2. **CONTRACTOR** further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. **CONTRACTOR** shall require each of its subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. **CONTRACTOR** shall deliver the executed pledges from each such subcontractor to the **CITY** within ninety (90) days of the execution of the subcontract. **CONTRACTOR'S** delivery of executed pledges from each such subcontractor shall fully discharge the obligation of **CONTRACTOR** with respect to such pledges and fully discharge the obligation of **CONTRACTOR** to comply with the provision in the LWO contained in Section 10.37.6(c) concerning compliance with such federal law.
  3. **CONTRACTOR**, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the **CITY** with regard to the employer's compliance or anticipated compliance with the LWO, for opposing any practice proscribed by the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. **CONTRACTOR** shall post the Notice of Prohibition Against Retaliation provided by the **CITY**.
  4. Any subcontract entered into by **CONTRACTOR** relating to this Contract, to the extent allowed hereunder, shall be subject to the provisions of PSC-31 and shall incorporate the provisions of the LWO and the SCWRO.

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

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

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

**PSC-33. CONTRACTOR RESPONSIBILITY ORDINANCE**

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

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

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

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

**PSC-35. EQUAL BENEFITS ORDINANCE**

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

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

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

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

**PSC-36. SLAVERY DISCLOSURE ORDINANCE**

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

## **EXHIBIT 1**

### **INSURANCE CONTRACTUAL REQUIREMENTS**

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

### **CONTRACTUAL REQUIREMENTS**

CONTRACTOR AGREES THAT:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	<u>Limits</u>
<b>Workers' Compensation – Workers' Compensation (WC) and Employer's Liability (EL)</b>	<b>WC</b> <u>Statutory</u> <b>EL</b> _____
<input type="checkbox"/> Waiver of Subrogation in favor of City	<input type="checkbox"/> Longshore & Harbor Workers <input type="checkbox"/> Jones Act
<b>General Liability</b>	
<input type="checkbox"/> Products/Completed Operations	<input type="checkbox"/> Sexual Misconduct _____
<input type="checkbox"/> Fire Legal Liability _____	
<input type="checkbox"/> _____	
<b>Automobile Liability</b> (for any and all vehicles used for this Contract, other than commuting to/from work)	
<b>Professional Liability</b> (Errors and Omissions)	
<b>Property Insurance</b> (to cover replacement cost of building – as determined by insurance company)	
<input type="checkbox"/> All Risk Coverage	<input type="checkbox"/> Boiler and Machinery
<input type="checkbox"/> Flood _____	<input type="checkbox"/> Builder's Risk
<input type="checkbox"/> Earthquake _____	<input type="checkbox"/> _____
<b>Pollution Liability</b>	
<input type="checkbox"/> _____	
<b>Surety Bonds – Performance and Payment (Labor and Materials) Bonds</b>	100 % of Contract Price
<b>Crime Insurance</b>	

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

# HISTORIC LEVELS

MAIN LEVEL (1)

ROOF (R)

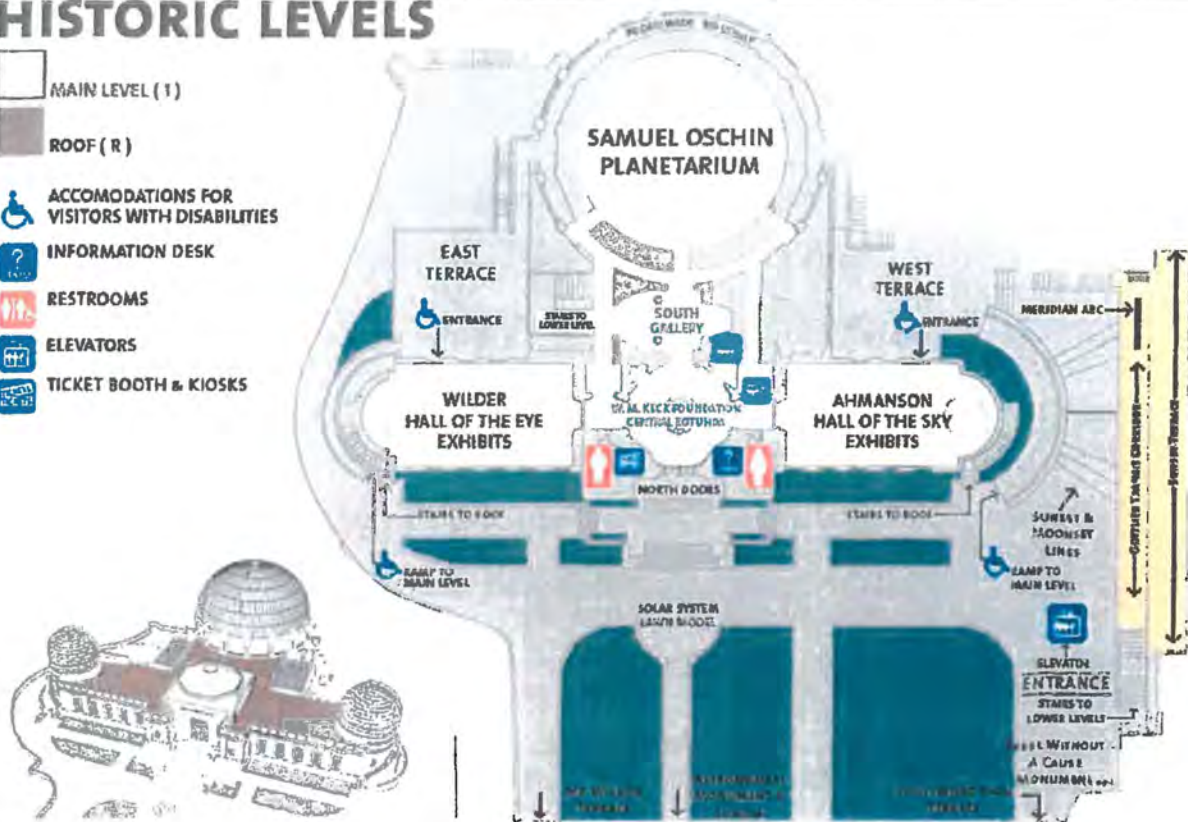
ACCOMODATIONS FOR VISITORS WITH DISABILITIES

INFORMATION DESK

RESTROOMS

ELEVATORS

TICKET BOOTH & KIOSKS



## Exhibits on the Main Level, Roof, and Exterior

[Samuel Oschin Planetarium](#)

[Wilder Hall of the Eye](#)

[Telescopes](#)

[Roof and Terraces](#)

[South Gallery](#)

[W.M. Keck Foundation Central Rotunda](#)

[Solar System Lawn Model](#)

[Astronomers Monument and Sundial](#)

[Gottlieb Transit Corridor](#)

[Ahmanson Hall of the Sky](#)

[Sunset and Moonset Lines](#)

[Rebel Without a Cause Monument](#)

# LOWER LEVELS

LOWER LEVEL ONE (L1)

LOWER LEVEL TWO (L2)

ACCOMODATIONS FOR VISITORS WITH DISABILITIES

INFORMATION DESK

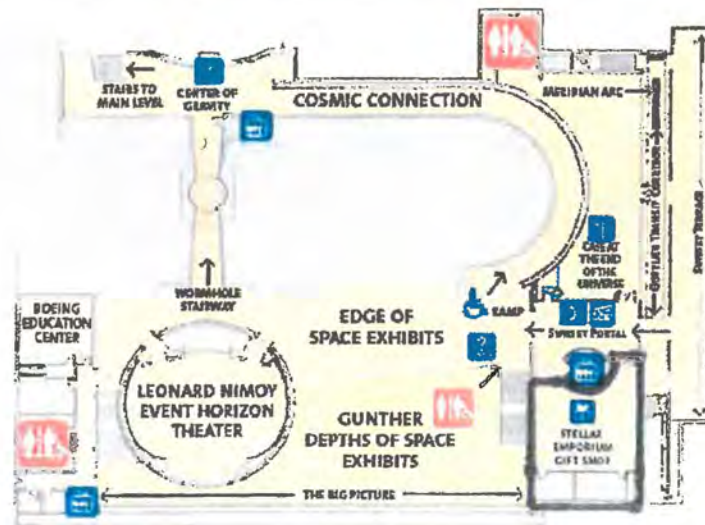
CAFE

RESTROOMS

ELEVATORS

TICKET BOOTH & KIOSKS

GIFT SHOP



Note: The premises is identified by the thick line border.



### Required Insurance and Minimum Limits

Name: Griffith Observatory Bookstore and Gift Shop Concession

Date: 10/09/2015

Agreement/Reference: CON-M15-005

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

	Limits
<hr/>	
<input checked="" type="checkbox"/> <b>Workers' Compensation - Workers' Compensation (WC) and Employer's Liability (EL)</b>	WC <u>Statutory</u>
	EL <u>\$1,000,000</u>
<input checked="" type="checkbox"/> Waiver of Subrogation in favor of City <span style="margin-left: 200px;"><input type="checkbox"/> Longshore &amp; Harbor Workers</span> <span style="margin-left: 200px;"><input type="checkbox"/> Jones Act</span>	
<hr/>	
<input checked="" type="checkbox"/> <b>General Liability</b>	<u>\$1,000,000</u>
<input checked="" type="checkbox"/> Products/Completed Operations <span style="margin-left: 200px;"><input type="checkbox"/> Sexual Misconduct</span> <input type="checkbox"/> Fire Legal Liability <input type="checkbox"/> _____	
<hr/>	
<input checked="" type="checkbox"/> <b>Automobile Liability</b> (for any and all vehicles used for this contract, other than commuting to/from work)	<u>\$1,000,000</u>
<hr/>	
<input type="checkbox"/> <b>Professional Liability</b> (Errors and Omissions)	_____
Discovery Period <u>12 Months After Completion of Work or Date of Termination</u>	
<hr/>	
<input type="checkbox"/> <b>Property Insurance</b> (to cover replacement cost of building - as determined by insurance company)	_____
<input type="checkbox"/> All Risk Coverage <span style="margin-left: 200px;"><input type="checkbox"/> Boiler and Machinery</span> <input type="checkbox"/> Flood <span style="margin-left: 200px;"><input type="checkbox"/> Builder's Risk</span> <input type="checkbox"/> Earthquake <span style="margin-left: 200px;"><input type="checkbox"/> _____</span>	
<hr/>	
<input type="checkbox"/> <b>Pollution Liability</b>	_____
<input type="checkbox"/> _____	
<hr/>	
<input type="checkbox"/> <b>Surety Bonds - Performance and Payment (Labor and Materials) Bonds</b>	<u>100% of the contract price</u>
<input type="checkbox"/> <b>Crime Insurance</b>	_____

Other:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

CITY OF LOS ANGELES

INSTRUCTIONS AND INFORMATION  
ON COMPLYING WITH CITY INSURANCE REQUIREMENTS

(Share this information with your insurance agent or broker)

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

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

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

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

Additional Insured Endorsements DO NOT apply to the following:

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

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

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

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

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

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

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

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

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

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

CITY OF LOS ANGELES  
 DEPARTMENT OF RECREATION AND PARKS  
 Attn: Concessions Unit  
 P.O. Box 86610  
 Los Angeles, CA 90086

REMITTANCE ADVICE FORM  
 GRIFFITH OBSERVATORY BOOKSTORE AND GIFT SHOP CONCESSION  
 EVENT NETWORK, INC.

PERIOD COVERED: From: \_\_\_\_\_ To: \_\_\_\_\_

CATEGORY	GROSS SALES	SALES TAX	NET SALES	RENTAL RATE	AMOUNT DUE
<b>Annual Gross Sales from \$1.00 to \$1,000,000.00</b>					
BOOKSTORE AND GIFT SHOP	_____	_____	_____	25%	\$ -
MOBILE CART/KIOSK	_____	_____	_____	25%	\$ -
WEBSITE SALES	_____	_____	_____	25%	\$ -
OTHER:	_____	_____	_____	25%	\$ -
<b>SUB-TOTAL RENT DUE:</b>					<b>\$ -</b>

<b>Annual Gross Sales from \$1,000,001.00 to \$2,000,000.00</b>					
BOOKSTORE AND GIFT SHOP	_____	_____	_____	30%	\$ -
MOBILE CART/KIOSK	_____	_____	_____	30%	\$ -
WEBSITE SALES	_____	_____	_____	30%	\$ -
OTHER:	_____	_____	_____	30%	\$ -
<b>SUB-TOTAL RENT DUE:</b>					<b>\$ -</b>

<b>Annual Gross Sales from \$2,000,001.00 to \$3,000,000.00</b>					
BOOKSTORE AND GIFT SHOP	_____	_____	_____	35%	\$ -
MOBILE CART/KIOSK	_____	_____	_____	35%	\$ -
WEBSITE SALES	_____	_____	_____	35%	\$ -
OTHER:	_____	_____	_____	35%	\$ -
<b>SUB-TOTAL RENT DUE:</b>					<b>\$ -</b>

<b>Annual Gross Sales from \$3,000,001.00 +</b>					
BOOKSTORE AND GIFT SHOP	_____	_____	_____	38%	\$ -
MOBILE CART/KIOSK	_____	_____	_____	38%	\$ -
WEBSITE SALES	_____	_____	_____	38%	\$ -
OTHER:	_____	_____	_____	38%	\$ -
<b>SUB-TOTAL RENT DUE:</b>					<b>\$ -</b>

CONSIGNMENT:	Griffith Observer sales at cost.	\$ -
CONSIGNMENT:	Book(s) at cost.	\$ -
CONSIGNMENT:	Other - at cost.	\$ -
DONATIONS TO FOTO:	Optional. Collected from patrons after point of sale.	\$ -
UTILITIES:	HVAC service, cart/kiosk electrical outlet, use of trash dumpsters.	\$ 300.00
LATE RENT FEE:	All payments are due by the 15th for the previous month.	\$ -
OCCUPANCY TAX:	Paid Quarterly (April / July / October / January) for preceding three months at \$1.48 per \$1,000 or fraction thereof of rent paid.	\$ -
LATE OCCUPANCY TAX FEE:	Occupancy Tax payments are due quarterly by the 15th of April, July, October, January for the preceding three (3) months.	\$ -
<b>SUB-TOTAL DUE:</b>		<b>\$ 300.00</b>

ADJUSTMENTS\*: Explain: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \$ -

\*NOTE: All amortizations (allowance for rent reduction for any expenditures) must be approved in writing by the Department of Recreation and Parks. Invoices and proof of payment must be submitted with the Remittance Advice for any and all months amortization is realized.

**TOTAL AMOUNT DUE:** \$ 300.00

I hereby certify that this is a true and correct record of the period stated above:

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

Form Gen. 87 (R. 4/09)

## City of Los Angeles

Orig. City Attorney m/s 140  
 Dup. Risk Manager m/s 625-24  
 Trip. Dept. Area Office or Division Head

**NON-EMPLOYEE ACCIDENT OR ILLNESS REPORT**

Department Reporting

Recreation and Parks

**INSTRUCTIONS:** All accidents, illnesses, or injuries, no matter how minor, involving non-employees while on City property, must be reported by the City employee or department in proximity. Be complete as possible. The information provided may be needed by the City Attorney in preparing the case if legal action is necessary. Use typewriter or print carefully.

**PART I - PERSONAL DATA**

1. NAME (OF PERSON INJURED) (LAST) (FIRST) (MIDDLE)		2a. HOME ADDRESS (STREET) (CITY) (ZIP)		3a. PHONE NUMBER
		2b. BUSINESS ADDRESS (STREET) (CITY) (ZIP)		3b. PHONE NUMBER
4. SEX <input type="checkbox"/> M <input type="checkbox"/> F	5. DATE OF BIRTH	6. IF MINOR, NAME OF PARENT OR GUARDIAN		7. PHONE NUMBER

**PART II - ACCIDENT/INJURY**

8. DATE	9. TIME	10. LOCATION OF PUBLIC PROPERTY INVOLVED	11. WAS FIRST AID GIVEN? <input type="checkbox"/> YES <input type="checkbox"/> NO
12. FIRST AID GIVEN BY (NAME)		(ADDRESS)	(PHONE NUMBER)
13. PHYSICIAN/HOSPITAL INJURED TAKEN TO		(ADDRESS)	(PHONE NUMBER)
14. NATURE OF INJURIES (BE SPECIFIC)			
15. DESCRIBE ACCIDENT (IN DETAIL)			
16. NAME AND POSITION OF PERSON IMMEDIATELY IN CHARGE OF FACILITY		17. WHERE WAS RESPONSIBLE PERSON AT TIME OF ACCIDENT?	

**PART III - WITNESSES**

18. NAME (LAST) (FIRST) (MIDDLE)	19. ADDRESS (STREET) (CITY) (ZIP)	20. PHONE NUMBER	CITY EMPLOYEE
a.			<input type="checkbox"/> YES <input type="checkbox"/> NO
b.			<input type="checkbox"/> YES <input type="checkbox"/> NO
c.			<input type="checkbox"/> YES <input type="checkbox"/> NO
d.			<input type="checkbox"/> YES <input type="checkbox"/> NO

**PART IV - STATEMENT OF INJURED PARTY OR WITNESS**

21.
-----

**PART V - EMPLOYEE FILING REPORT**

22. NAME AND POSITION	23. SIGNATURE	24. DATE
-----------------------	---------------	----------

Print Form

**SPECIAL OCCURRENCE AND LOSS REPORT**

REPORT NUMBER

SEE INSTRUCTIONS ON PAGE 2					
1 NAME OF FACILITY			DATE OF OCCURRENCE	TIME	A.M. <input type="checkbox"/> P.M. <input type="checkbox"/>
2 SUBJECT OF REPORT					
3. EXACT LOCATION OF OCCURRENCE					
4. DESCRIBE WHAT HAPPENED ESTIMATE PROPERTY DAMAGE, IF ANY					
5					ESTIMATE OF DAMAGES
6 LIST STOLEN ITEMS, IF ANY, (EXCEPT CASH)					
QUANTITY	TYPE OF ITEM OR EQUIPMENT, DESCRIBE		DEPT NO	SERIAL NO	APPROX VALUE
7					TOTAL \$0.00
8 IF MONEY WAS TAKEN INDICATE AMOUNT AND WHERE KEPT AT TIME OF THEFT CALL CHIEF FINANCIAL OFFICER AT (213) 202-4380 LOCATION					AMOUNT
9 TOTAL LOSSES (TOTAL OF LINES 5, 7 AND 8)					TOTAL \$0.00
10 WHO DISCOVERED LOSS? NAME		TITLE	DATE	TIME	A.M. <input type="checkbox"/> P.M. <input type="checkbox"/>
11 HOW WAS ENTRANCE GAINED?					
12 WHO SECURED BLDG PRIOR TO OCCURENCE? NAME		TITLE	DATE	TIME	A.M. <input type="checkbox"/> P.M. <input type="checkbox"/>
13 WAS POLICE REPORT MADE? <input type="checkbox"/> YES <input type="checkbox"/> NO		D.R. NUMBER			
14 HAS A WORK ORDER BEEN INITIATED FOR REPAIRS? <input type="checkbox"/> YES <input type="checkbox"/> NO		WORK ORDER			
15 PERSONS INVOLVED <input type="checkbox"/> WITNESS <input type="checkbox"/> VICTIM <input type="checkbox"/> SUSPECT					
NAME	ADDRESS	AGE	SEX	PHONE NUMBER	INDICATE <input type="checkbox"/> W <input type="checkbox"/> V <input type="checkbox"/> S
					<input type="checkbox"/> W <input type="checkbox"/> V <input type="checkbox"/> S
					<input type="checkbox"/> W <input type="checkbox"/> V <input type="checkbox"/> S
					<input type="checkbox"/> W <input type="checkbox"/> V <input type="checkbox"/> S
16 IF VEHICLE INVOLVED YEAR MAKE		LICENSE NO	OWNERS NAME, ADDRESS AND INSURANCE CO		
17 GIVE ANY REMEDIAL MEASURES / CORRECTIVE ACTIONS THAT WERE TAKEN, IF ANY					
18 REPORT SUBMITTED BY		NAME	TITLE	DATE	

**INSTRUCTIONS:** This report must be made out in reporting any damage to, theft or loss of, private or public property or any other reportable incident occurring at any department facility and report to any member of the staff. This report to be filled out and distributed within 24 hours of incident. This form is NOT to be used for injury, accident or illness to City Employees or Non-City employees. Use general forms numbers 5020 or 87 for these purposes.

If cash is taken call Chief Financial Officer at (213) 202-4380 as soon as possible.

**FILL OUT FORM AS COMPLETE AS POSSIBLE USING THE**

1. Name of recreation center, park etc. date and time (if known) incident occurred.
2. Subject of report may be vandalism, theft, fire, defacing public property, indecent exposure, etc.
3. Exact location of incident at facility i.e. gym, boys restroom, merry-go-round, ball diamond, etc.
4. Describe incident, give details. Use other side of form if necessary.
5. Estimate property damage, if any, incurred as a result of the described incident.
6. List stolen or lost items. Give identifying numbers and approximate replacement cost.
7. Total cost of stolen or lost items.
8. If cash taken, state amount and location. i.e. \$10.00 from coke machine, \$50.00 from safe, etc.
9. Total losses. Add up the amounts from 5,7, and 8
10. Name and title of person discovering the loss. Give date and time discovered.
11. Describe how bldg. was entered, i.e. unauthorized key, kitchen window, forced open office door, etc.
12. Name and title of person locking up premises before incident occurred. Give date and time secured.
13. When reporting incident to police, request that reporting officer call his station and obtain a D.R. number. Enter this number on line no. 13
14. If repairs are needed, initiate job order through channels and record Work Order number on line no. 14.
15. Obtain requested information on any persons involved. Be as complete as possible.
16. Give requested information on any city or non-city-owned vehicle involved in the purpose of this report.
17. Give any recommendations for corrective actions that should be taken to avoid further incidents.
18. Name and title of person making this report. Date report made out.

**SCHEDULE A  
CITY OF LOS ANGELES  
MBE/WBE/SBE/EBE/DVBE/OBE SUBCONTRACTORS INFORMATION FORM**

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

Project Title
---------------

Proposer	Address
Contact Person	Phone/Fax

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

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

\_\_\_\_\_  
Signature of Person Completing this Form

\_\_\_\_\_  
Printed Name of Person Completing this Form

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**MUST BE SUBMITTED WITH PROPOSAL**



**SCHEDULE B  
CITY OF LOS ANGELES  
MBE/WBE/SBE/EBE/DVBE/OBE UTILIZATION PROFILE**

Project Title	Contract No.
---------------	--------------

Consultant	Address
------------	---------

Contact Person	Phone/Fax
----------------	-----------

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

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

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

**SCHEDULE C  
CITY OF LOS ANGELES  
FINAL SUBCONTRACTING REPORT**

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

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

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

	Total Dollars	Achieved Levels	Pledged Levels		Total Dollars	Achieved Levels	Pledged Levels
MBE Participation				WBE Participation			
SBE Participation				EBE Participation			
DVBE Participation				OBE Participation			

Signature of Person Completing this Form \_\_\_\_\_ Printed Name \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

**SUBMIT WITHIN 15 DAYS OF PROJECT COMPLETION**



City Ethics Commission  
 200 N Spring Street  
 City Hall — 24th Floor  
 Los Angeles, CA 90012  
 Mall Stop 129  
 (213) 978-1960

# Bidder Certification CEC Form 50

*This form must be submitted to the awarding authority with your bid or proposal for the contract noted below. Please write legibly.*

Original filing     Amended filing (original signed on \_\_\_\_\_; last amendment signed on \_\_\_\_\_)

<b>Bid/Contract/BAVN Number:</b>	<b>Awarding Authority (Department):</b>
----------------------------------	---

<b>Name of Bidder:</b>	<b>Phone:</b>
------------------------	---------------

**Address:**

**Email:**

**CERTIFICATION**

I certify the following on my own behalf or on behalf of the entity named above, which I am authorized to represent:

- A. I am a person or entity that is applying for a contract with the City of Los Angeles.
- B. The contract for which I am applying is an agreement for one of the following:
  - 1. The performance of work or service to the City or the public;
  - 2. The provision of goods, equipment, materials, or supplies;
  - 3. Receipt of a grant of City financial assistance for economic development or job growth, as further described in Los Angeles Administrative Code § 10.40.1(h); or
  - 4. A public lease or license of City property where both of the following apply, as further described in Los Angeles Administrative Code § 10.37.1(l):
    - a. I provide services on the City property through employees, sublessees, sublicensees, contractors, or subcontractors, and those services:
      - i. Are provided on premises that are visited frequently by substantial numbers of the public; or
      - ii. Could be provided by City employees if the awarding authority had the resources; or
      - iii. Further the proprietary interests of the City, as determined in writing by the awarding authority.
    - b. I am not eligible for exemption from the City's living wage ordinance, as eligibility is described in Los Angeles Administrative Code § 10.37.1(l)(b).
- C. The value and duration of the contract for which I am applying is one of the following:
  - 1. For goods or services contracts—a value of more than \$25,000 and a term of at least three months;
  - 2. For financial assistance contracts—a value of at least \$100,000 and a term of any duration; or
  - 3. For construction contracts, public leases, or licenses—any value and duration.
- D. I acknowledge and agree to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if I qualify as a lobbying entity under Los Angeles Municipal Code § 48.02.

I certify under penalty of perjury under the laws of the City of Los Angeles and the state of California that the information in this form is true and complete.

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

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

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

**Los Angeles Administrative Code § 10.40.1**

- (h) **"City Financial Assistance Recipient"** means any person who receives from the City discrete financial assistance in the amount of One Hundred Thousand Dollars (\$100,000.00) or more for economic development or job growth expressly articulated and identified by the City, as contrasted with generalized financial assistance such as through tax legislation.

Categories of such assistance shall include, but are not limited to, bond financing, planning assistance, tax increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for purposes of this article. A loan shall not be regarded as financial assistance. The forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees.

**Los Angeles Administrative Code § 10.37.1**

- (l) **"Public lease or license"**.

- (a) Except as provided in (l)(b), "Public lease or license" means a lease or license of City property on which services are rendered by employees of the public lessee or licensee or sublessee or sublicensee, or of a contractor or subcontractor, but only where any of the following applies:
- (1) The services are rendered on premises at least a portion of which is visited by substantial numbers of the public on a frequent basis (including, but not limited to, airport passenger terminals, parking lots, golf courses, recreational facilities); or
  - (2) Any of the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources; or
  - (3) The DAA has determined in writing that coverage would further the proprietary interests of the City.
- (b) A public lessee or licensee will be exempt from the requirements of this article subject to the following limitations:
- (1) The lessee or licensee has annual gross revenues of less than the annual gross revenue threshold, three hundred fifty thousand dollars (\$350,000), from business conducted on City property;
  - (2) The lessee or licensee employs no more than seven (7) people total in the company on and off City property;
  - (3) To qualify for this exemption, the lessee or licensee must provide proof of its gross revenues and number of people it employs in the company's entire workforce to the awarding authority as required by regulation;
  - (4) Whether annual gross revenues are less than three hundred fifty thousand dollars (\$350,000) shall be determined based on the gross revenues for the last tax year prior to application or such other period as may be established by regulation;
  - (5) The annual gross revenue threshold shall be adjusted annually at the same rate and at the same time as the living wage is adjusted under section 10.37.2 (a);
  - (6) A lessee or licensee shall be deemed to employ no more than seven (7) people if the company's entire workforce worked an average of no more than one thousand two-hundred fourteen (1,214) hours per month for at least three-fourths (3/4) of the time period that the revenue limitation is measured;
  - (7) Public leases and licenses shall be deemed to include public subleases and sublicenses;
  - (8) If a public lease or license has a term of more than two (2) years, the exemption granted pursuant to this section shall expire after two (2) years but shall be renewable in two-year increments upon meeting the requirements therefor at the time of the renewal application or such period established by regulation.

## Facility Improvement Excerpt - Proposal from Event Network, Inc. (page 64)

Description	Est. Cost	
<b>Demolition/Installation:</b>		
Demo and haul of existing cashwrap and fixtures	\$5,000.00	
Flooring - polish and wax existing polished concrete	\$2,500.00	
HVAC - None, existing	\$0.00	
Millwork/Carpentry - install, 4 workers 5 days + materials	\$13,800.00	
Paint, custom, include minor drywall patch	\$4,500.00	
Lighting & electrical labor (remove pendants, install track & feature, feed cash-wrap)	\$18,400.00	
Floor penetration or small trench in concrete for cash-wrap feed	\$1,000.00	
General conditions (2 weeks supt, PM, protection, safety, clean-up, etc.)	\$9,800.00	
Contractor fees 15%	\$8,250.00	
<b>Total Demolition/Installation:</b>	<b>\$63,250.00</b>	
<b>Store Elements:</b>		
Cashwrap (2 POS, incl wedge center, solid surf. tops & shrouds)	\$8,000.00	
Wall Unit type A, 24" (3)	\$5,400.00	
Wall Unit type B, 48" (13)	\$28,600.00	
Wall Unit type C, 96" (4)	\$15,200.00	
T-Units (4)	\$7,200.00	
Spinners (2)	\$3,400.00	
Impulse cube tables, 30" tall (1)	\$600.00	
Impulse cube tables, 24"h medium (2)	\$1,050.00	
Specialty table sets, round (3)	\$2,850.00	
Glass case pedestals (2)	\$3,600.00	
Bookshelves (21 @ \$80)	\$1,680.00	
Packing & Shipping	\$4,000.00	
Subtotal to Fabricator	\$81,580.00	\$90,000.00
Udezine behind cashwrap (4)		\$600.00
Shelves (220)		\$6,325.00
Shelf brackets (480)		\$2,400.00
Acrylic cubes (27)		\$525.00
Smallwares		\$500.00
Feature light fixture		\$2,500.00
Track Lighting parts (12@8' + fittings, 64 heads and hangers)		\$1,700.00
LED Lamps (64, xPar30, non-dimmable)		\$2,000.00
Graphics		\$1,500.00
<b>Total Store Elements</b>		<b>\$108,050.00</b>
Contingency		\$3,700.00
<b>Total</b>		<b>\$175,000.00</b>

APPROVED  
NOV 18 2015  
BOARD OF RECREATION  
AND PARK COMMISSIONERS

REPORT OF GENERAL MANAGER

NO. 15-246

DATE November 18, 2015

C.D. 4

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GRIFFITH PARK – REQUEST FOR PROPOSALS FOR THE GRIFFITH OBSERVATORY BOOKSTORE AND GIFT SHOP CONCESSION

R. Barajas [Signature]  
H. Fujita \_\_\_\_\_  
\*V. Israel \_\_\_\_\_  
K. Regan \_\_\_\_\_  
N. Williams \_\_\_\_\_

[Signature]  
General Manager

Approved ✓

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATIONS:

That the Board:

1. Approve the Request for Proposals for Griffith Observatory Bookstore and Gift Shop Concession for five (5) years, with two (2) five-year extension options at the sole discretion of the Department, along with approval from the Board of Recreation and Park Commissioners, substantially in the form on file in the Board Office, subject to the approval of the City Attorney as to form;
2. Direct the Board Secretary to transmit the Request for Proposals (RFP) to the City Attorney for review as to form;
3. Direct staff, subsequent to City Attorney approval as to form, to advertise the RFP and conduct the RFP process for the Griffith Observatory Bookstore and Gift Shop Concession; and
4. Authorize the General Manager or designee to make any necessary technical changes and incorporate such changes into the RFP.

SUMMARY:

Griffith Observatory is located at 2800 East Observatory Road in Griffith Park. The Observatory opened in 1935 and is an icon of Los Angeles, a national leader in public astronomy, and one of Southern California's most popular attractions.

## REPORT OF GENERAL MANAGER

PG. 2

NO. 15-246

In 2002, the Observatory building and grounds closed for a Ninety Three Million Dollars (\$93,000,000.00) renovation and expansion, and reopened in 2006. Part of the project was the creation of an expanded bookstore and gift shop concession (Concession). The Concession is located on the same level of the Observatory building as the café concession. The Concession's total square footage is approximately 1,642 square feet, which includes the store 1,307 square feet, a small office 145 square feet, and storage space of 190 square feet.

On May 18, 2005, the Concession was awarded to Event Network, Inc. (Report No. 05-126). The Concession Agreement No. 250 was executed on September 26, 2006 for a five (5) year term, with one (1) five-year option to renew at the sole discretion of the City. On February 16, 2011, the Board exercised the five (5) year option to renew the Agreement (Report No. 11-056) and the Agreement will expire on September 25, 2016. There are no remaining options to renew.

In 2014, Event Network, Inc. generated annual gross receipts of One Million Five Hundred Sixty-Three Thousand Eight Hundred Twenty-Two Dollars (\$1,563,822.00). A revenue share of Three Hundred Sixty Thousand One Hundred Two Dollars (\$360,102.00) was paid to the Department.

Staff has developed and is now ready to release, at the direction of the Board, an RFP for the operation and maintenance of the Concession. With this RFP, the Department seeks a qualified, experienced, and financially sound operator who will meet or exceed the Department's expectations in all operational and financial areas, and optimize service to the public and profitability of the Concession.

DISCUSSION:

The RFP on file with the Board Office is intended to solicit proposals from institution/museum bookstore/gift shop management companies that have extensive experience overseeing operations at venues similar to Griffith Observatory.

The Concession operator (Concessionaire) will be required to source quality scientific and educational books, materials, and equipment; and the ability to design and produce gift items and merchandise such as jackets, cups, shirts, and specialty items that promote the Observatory logo, image, and mission, "Inspiring everyone to observe, ponder, and understand the sky." The Concessionaire will also provide staff to manage and operate all aspects of the business; provide and operate a mobile point of sale cart/kiosk for additional retail sales on Observatory grounds; and create and operate a website for sales of items found inside the Concession. The Concessionaire will work closely with Observatory management at all times.

## REPORT OF GENERAL MANAGER

PG. 3

NO. 15-246Proposal and Contractual Provisions

1. Proposal Deposit: A Fifteen Thousand Dollar (\$15,000.00) proposal deposit will be required with the submission of each proposal.
2. Term: Five (5) years with two (2) five-year extension options exercisable at the sole discretion of the Department, along with approval of the Board of Recreation and Park Commissioners.
3. Revenue-Sharing Terms: The revenue sharing fee will be determined based upon the RFP responses.
4. Facility Improvements; Proposers will submit a Facility Improvement Plan (which may include capital and tenant improvements) to make the spaces of the Concession, office, and storage area conducive to their operations.
5. Refurbishment & Replacement Fund: Concessionaire shall set aside a reserve in the amount of one percent (1%) of total gross annual receipts from all Concession operations for the purpose of replacement of display furniture and fixtures when they become worn.
6. Utilities: The successful bookstore and gift shop management company will be responsible for all utility charges associated with the Concession. There is no water or gas service to the Concession.
7. Performance Deposit: A Performance Deposit will be required to be maintained for the duration of the Agreement in the amount of One Hundred Thousand Dollars (\$100,000.00).

Evaluation Process

Proposers must pass Level I Requirements (Exhibit C of the RFP) in order to proceed to Level II evaluation. Level I will be a check and review by staff for required City of Los Angeles contract compliance and submittal documents, as well as a review of the proposer's background and experience, contract history, business references and financial capability. Level II will be a comprehensive evaluation of the proposals by an independent panel of subject matter experts.



## REPORT OF GENERAL MANAGER

PG. 4

NO. 15-246RFP Evaluation Criteria Areas

For the purposes of evaluation, the responsive proposals to Level I will be evaluated on the criteria below (Level II):

- 1) Business Plan (25 points)
- 2) Proposed Operational Plan (25 points possible)
- 3) Proposed Revenue-Sharing Payment (40 points)
- 4) Proposed Facility Improvements (10 points possible)

The RFP will be advertised in the Los Angeles Daily Journal, made available on the Department's website, and posted on the Los Angeles Business Assistance Virtual Network (LABAVN). A letter inviting proposals will also be mailed to organizations and individuals from a mailing list maintained by the Concessions Unit.

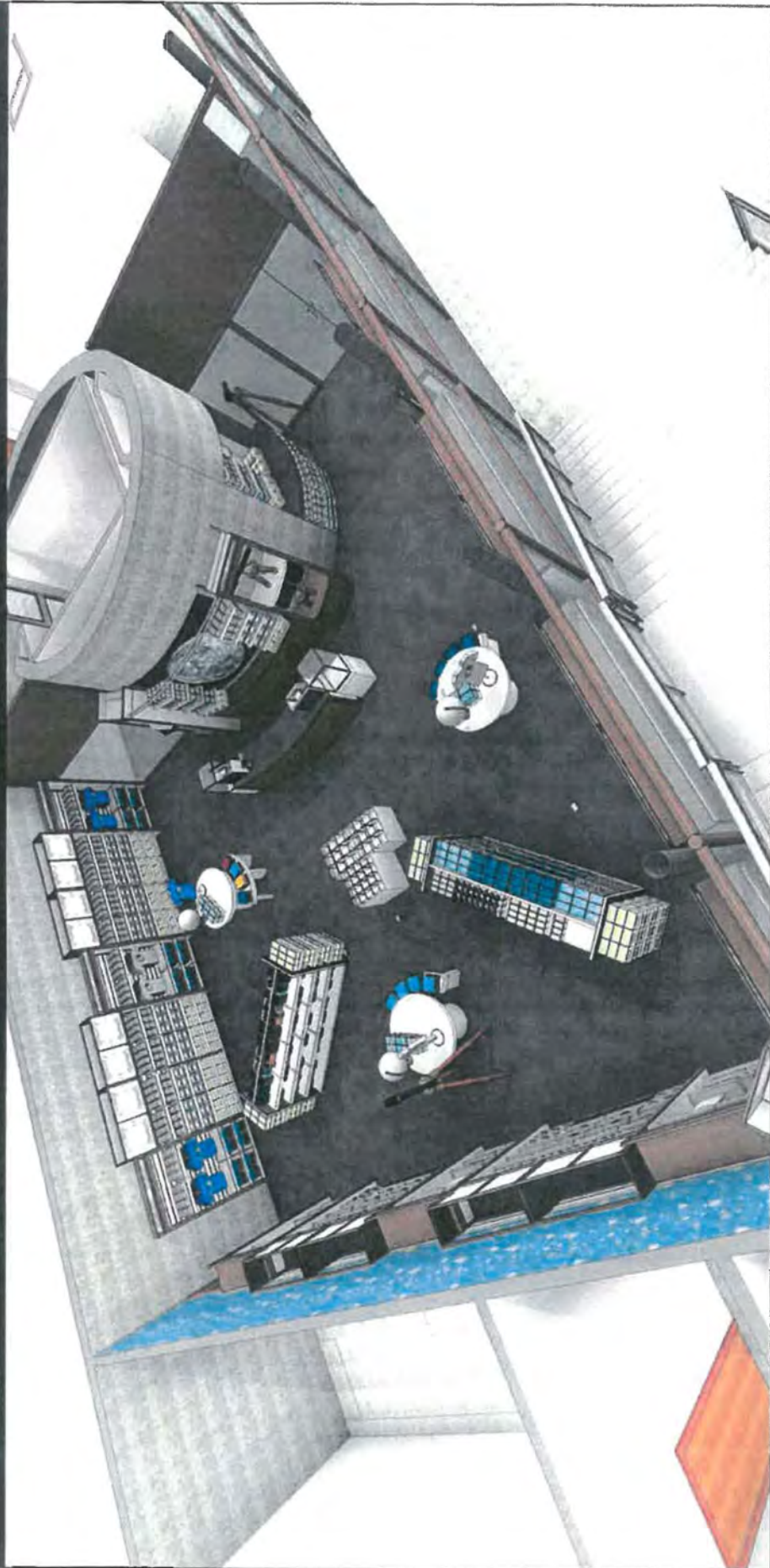
A mandatory conference and site walk will be held approximately two (2) weeks after the release of the RFP to provide potential proposers with a review of the submittal documents, City contract compliance documents, including requirements for the Business Inclusion Program as mandated by the Executive Directive No. 14, Villaraigosa Series, and the Board's policy (Report No. 12-050, approved February 15, 2012). The mandatory site walk will be conducted for potential proposers to view the facility to gain a better understanding of the bookstore and gift shop operation at Griffith Observatory.

FISCAL IMPACT STATEMENT:

Releasing the Request for Proposals will have no impact on the Department's General Fund.

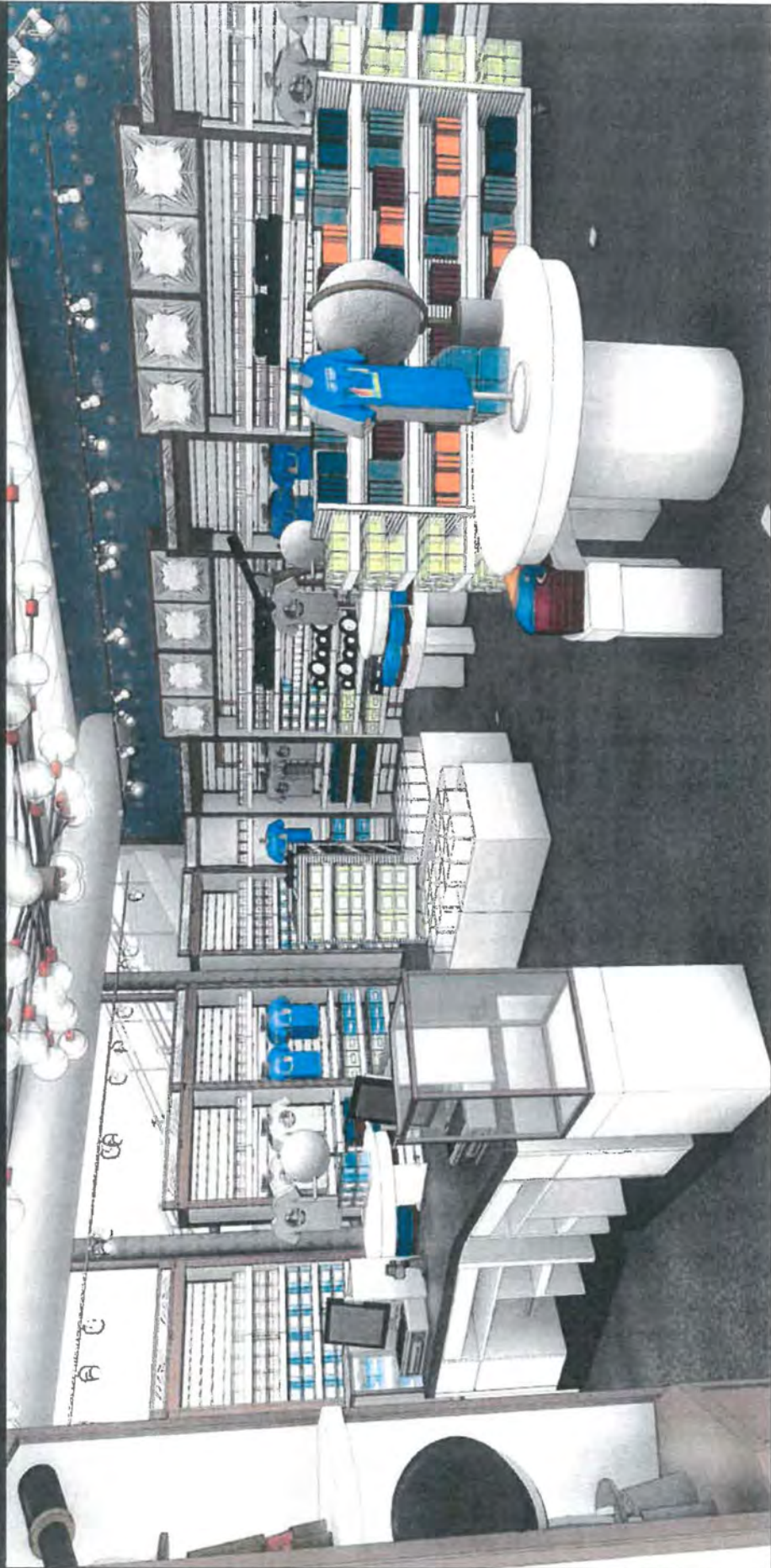
This Report was prepared by Stanley Woo, Management Analyst II, Partnership and Revenue Branch, Concessions Unit.

# Bird's-Eye View South East





# North West



Griffith Observatory | Store Remodel Proposal