

AGREEMENT NUMBER: AO-24-006

**FUNDING AGREEMENT WITH THE CITY OF REDONDO BEACH
EXPANSION OF THE REDONDO BEACH PALLET SHELTER**

THIS AGREEMENT ("Agreement") is made and entered into:

BY COUNTY OF LOS ANGELES, a body corporate and politic, and a subdivision of the State of California, hereinafter referred to as (the "County"),

AND CITY OF REDONDO BEACH, a Chartered Municipal Corporation, hereinafter referred to as (the "City").

RECITALS

WHEREAS, in December 2020, the City constructed a 15-unit pallet emergency interim housing for people experiencing homelessness ("PEH") at 1521 1/2 Kingsdale Avenue in the City of Redondo Beach; and in September 2022, the City added five more units at the site for a total of 20 units ("Pallet Shelter");

WHEREAS, on January 10, 2023, the Los Angeles County Board of Supervisors ("Board") declared a local emergency on homelessness in Los Angeles County due to the existence of conditions of extreme peril to the safety of persons on the basis of pervasive and pernicious homelessness in the County ("Homeless Emergency");

WHEREAS, on February 7, 2023, the Board authorized the Chief Executive Officer ("CEO"), or her designees, to enter into and/or amend agreements, for professional and other services, approved as to form by County Counsel, that support the Homeless Emergency and PEH missions within the County, through expedited and streamlined contracting processes, including the non-adherence of the County's sole source policy and other competitive procurement requirements, and terminate said agreements as necessary;

WHEREAS, the City has identified a vacant lot immediately north of and contiguous to the site of the Pallet Shelter for the construction of 25 additional units to be used as emergency interim housing for PEH ("Project") and has requested funding from County;

WHEREAS, pursuant to Government Code section 26227, the Board may appropriate and expend money to establish County programs or to fund other programs deemed to be necessary to meet the social needs of the population of the County;

WHEREAS, County's Board of Supervisors Second Supervisorial District is desirous of providing funding in the amount up to \$800,000 in Homeless Services funds to the City to support the Project;

WHEREAS, the City agrees to expend the County's Homeless Services funds exclusively for the Project, which is of significance for the population of Los Angeles County as the site will be used for emergency interim housing for PEH to be safely housed while they create, and complete housing plans and behavioral health plans as needed to become permanently housed; and

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein, the parties hereto agree as follows:

1.0 THE PROJECT

- 1.1 Pursuant to the provisions of this Agreement, the City shall fully perform, complete, and deliver on time, all tasks, deliverables, services and other work as set forth herein and Exhibit A, Statement of Work, and Exhibit B, Pricing Schedule, which are attached and incorporated herein by reference. If the City provides any tasks, deliverables, goods, services, or other work, other than as specified in this Agreement, the same shall be deemed to be a gratuitous effort on the part of the City, and the City shall have no claim whatsoever against the County.
- 1.2 As applicable, any improvements funded pursuant to this Agreement are subject to the provisions and requirements of the California Environmental Quality Act ("CEQA"). The City shall be fully responsible for compliance with the provisions of CEQA.
- 1.3 As applicable, the City intends to solicit and subcontract with any number of licensed professional firms for design, architectural and civil and structural engineering services, geotechnical and materials testing and inspection services, environmental consultant services and construction cost estimating services for the capital improvement project development activities, and with a construction general contractor(s) for work performed on the Project. All appropriate provisions and requirements of this Agreement shall apply to the sub-agreements. The City shall be responsible for performance of the aforementioned subcontractors.
- 1.4 The City shall require that all persons working on the Project be paid not less than applicable prevailing wage rates in accordance with California Labor Code section 1771.
- 1.5 The City and the County agree that the liability of the County herein shall be limited to the payment of the County Funds pursuant to the terms of this Agreement. Any contracts entered into or other obligations or liabilities incurred by the City in Connection with the activities provided for herein or otherwise relating to this Agreement shall be the sole responsibility of the City and the County shall have no obligation or liability whatsoever thereafter.

2.0 AGREEMENT TERM

The term of the Agreement will be from the Effective Date, as defined in Section 13.0, until June 30, 2025, unless sooner terminated or extended, in whole or in part, as provided in this Agreement.

3.0 FUNDING

- 3.1 The County hereby allocates to the City an amount not to exceed \$800,000 for the Agreement Term and as set forth in Exhibit B, Pricing Schedule, to support the construction of the Project, as described in this Agreement and Exhibit A, Statement of Work. Any costs incurred to complete this Agreement in excess of the maximum not-to-exceed cost will be borne by the City.
- 3.2 The City agrees to expend County Funds exclusively for the Project, as further described in Exhibit A, Statement of Work.
- 3.3 The City must invoice the County only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A, Statement of Work, and Exhibit B, Pricing Schedule. The City must prepare invoices, which will include the charges owed to the City by the County under the terms of this Agreement.
- 3.4 The City's invoices must be priced in accordance with Exhibit B, Pricing Schedule. The City will be paid only for the tasks, deliverables, goods, and services approved by the County.
- 3.5 The County Funds will be paid to the City within thirty (30) days in accordance with Exhibit A, Statement of Work, and Exhibit B, Pricing Schedule.
- 3.6 The County reserves the right to discontinue funding the Project if: (1) there has not been reasonable progress with the Project, (2) the County determines that the City is incapable of satisfactorily completing the Project, or (3) the content of any required written reports, including Project Status Reports, Expenditure Reports, and Project Final Report are unsatisfactory. The County shall provide the City with notice of any such potential discontinuity of funding and a reasonable opportunity to cure any deficiencies in performance prior to discontinuing Project funding. In the event of discontinuation of funding by the County, any unexpended funds shall immediately be returned to the County. Any such decision to discontinue funding shall be made by the County's CEO or her designee.

4.0 DEFAULT METHOD OF PAYMENT: DIRECT DEPOSIT OR ELECTRONIC FUNDS TRANSFER

- 4.1 The County, at its sole discretion, has determined that the most efficient and secure default form of payment for goods and/or services provided under an

agreement/contract with the County will be Electronic Funds Transfer (EFT) or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller (A-C).

- 4.2 The City must submit a direct deposit authorization request via the website <https://directdeposit.lacounty.gov> with banking and vendor information, and any other information that the A-C determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.
- 4.2 Any provision of law, grant, or funding agreement requiring a specific form or method of payment other than EFT or direct deposit will supersede this requirement with respect to those payments.
- 4.3 At any time during the duration of the Agreement, the City may submit a written request for an exemption to this requirement. Such request must be based on specific legal, business or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with the contracting department(s), will decide whether to approve exemption requests.

5.0 COUNTY'S RIGHT TO RETURN OF FUNDS OR PROPERTY

- 5.1 Any County Funds not used by the City for the purposes of the Project, as further described in the Statement of Work, Exhibit A, shall remain the property of the County, and the City shall, upon request by the County, promptly repay the County any such County Funds.
- 5.2 If there are any unused County Funds at the expiration or termination of the Agreement term, the City shall promptly return any such County Funds.
- 5.3 The County reserves the right to take possession of any property purchased with misused and/or unused County Funds if the City fails to make timely repayment of the County Funds.
- 5.4 Nothing contained in this Section 5.0 shall limit or prevent the County from taking any and all action to seek repayment of unused County Funds or the County Funds which were not used in accordance with the terms of this Agreement.

6.0 INDEMNITY, INSURANCE AND RECORDS RETENTION

6.1 Indemnity

The City agrees to indemnify, defend. And hold harmless the County, its Special Districts, elected and appointed officers, employees, agents, and volunteers ("County Indemnities") from and against any and all liability, actions, causes of action, or expenses of any kind, including, but not limited to, defense

costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, or property damage arising from or connected with the City activities, operations or services relating to the Project, including any workers' compensation suits, Federal Fair Labor Standards Act, State wage or hour law violations, liability, or expense, arising from or connected with services performed by or on behalf of the City by any person pursuant to this Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County indemnitees.

6.2 Insurance

Without limiting the City's indemnification of the County, the City shall provide and maintain at its own expense during the term of this Agreement the following program(s) of insurance covering its operations hereunder. Such insurance shall be provided by insurer(s) satisfactory to the County's Risk Manager and evidence of such programs satisfactory to the County shall be delivered to the County' on or before the effective date of this Agreement. Such evidence shall specifically identify this Agreement and shall contain express conditions that the County is to be given written notice at least thirty (30) days in advance of any modification or termination of any program of insurance. All such insurance, except for Workers' Compensation, shall be primary to and not contributing with any other insurance or self-insurance coverage maintained by the County and shall name the County of Los Angeles as an additional insured.

a. Commercial General and Auto Liability: with limits of not less than \$1 million per occurrence.

b. Workers' Compensation:

A program of Workers' Compensation Insurance in an amount and form to meet all applicable requirements of the Labor Code of the State of California, and which specifically covers all persons providing services by or on behalf of the City and all risks to such persons under this Agreement and including Employer's Liability coverage with a \$1 million per limit.

c. Crime Insurance:

A comprehensive blanket crime insurance policy with each insuring agreement in an amount not less than \$25,000, insuring against loss of money, securities, or other property referred to hereunder which may result from:

- (1) Dishonesty or fraudulent acts of officers, directors, or employees of City, or
- (2) Disappearance, destruction or wrongful abstraction inside or outside the premises or the City, while in the care, custody or control of the City, or

- (3) Sustained through forgery or direction to pay a certain sum in money.

d. Property Coverage:

If, under the terms of this Agreement, the City shall have possession of rented or leased or be loaned any County- owned real or personal property, the City shall provide:

- (1) For real property: insurance providing special form ("all risk") coverage for the full replacement value.
- (2) For personal property: insurance providing special form ("all risk") coverage for the actual cash value.

6.3 Records Retention and Inspection:

Within ten (10) days of the County CEO or her designee's written request, the City shall allow the County access to financial and program records during regular business hours at any place the City keeps those records.

7.0 FINANCIAL RECORDS AND AUDITING

- 7.1 The City agrees to maintain satisfactory financial accounts, documents, and records of the expenditure of the County Funds and to make them available to the County for auditing at reasonable times. The City also agrees to retain such financial accounts, documents, and records for five (5) years following termination of this Agreement.
- 7.2 The City agrees to use a generally accepted accounting system. The City also agrees to maintain, and make available for County inspection, accurate records of all of its costs, disbursements, and receipts with respect to its activities under this Agreement.
- 7.3. At any time during the term of this Agreement or at any time within five (5) years of the expiration or other termination of this Agreement, authorized representatives of the County may conduct an audit of the City records for the purpose of verifying appropriateness and validity of expenditures of County Funds under the terms of this Agreement.
- 7.4 The City, within thirty (30) days of notification from the County of its audit findings, may dispute the audit findings in writing to the County and provide the County with records and/or documentation to support the expenditure claims. The County shall review this documentation and make a final determination as to the validity of the expenditures.
- 7.5 The City will provide the County's CEO within one hundred twenty (120) days after the end of the fiscal year in which the Project was completed, a report

itemizing actual expenditures funded by monies received pursuant to this Agreement.

- 7.6 It is understood and agreed that any funds paid to the City hereunder may only be used for the purposes specified in this Agreement. In furtherance of this understanding, it is agreed that should the County determine that any funds paid to the City hereunder have been used for purposes other than those authorized by this Agreement, the City is required to immediately refund any such improperly used funds to the County.

8.0 CONFLICT OF INTEREST

The City covenants that neither the City nor any of its agents, officers, employees, or sub-contractors who presently exercise any function of responsibility in connection with the program has a personal interest, direct or indirect, in the Agreement, except to the extent he or she may receive compensation for his or her performance pursuant to this Agreement.

The City, its agents, officers, employees, and sub-contractors shall comply with all applicable Federal, State and County laws and regulations governing conflict of interest.

9.0 AUTHORITY

The City warrants and certifies that it possesses the legal authority to execute this Agreement and to undertake the proposed Project, and that a resolution, motion, or similar action has been fully adopted or passed, as an official act of the City's governing body, authorizing receipt of the County Funds, and directing and designating the authorized representative(s) of the City to act in connection with the Project specified and to provide such additional information as may be required by the County.

10.0 STANDARD TERMS AND CONDITIONS

10.1 Amendments

For any change which affects the scope of work, agreement term, agreement sum, payments, or any term or condition included under this Agreement, an amendment to the Agreement must be prepared and executed by the City and by the County.

The County's Board or CEO or designee may require the addition and/or change of certain terms and conditions in the Agreement during the term of this Agreement. The County reserves the right to add and/or change such provisions as required by the County's Board or CEO. To implement such changes, an Amendment to the Agreement must be prepared and executed by the City and by the County.

The County, may at their sole discretion, authorize extensions of time as defined in Paragraph 2.0 (Agreement Term). The City agrees that such extensions of time will not change any other term or condition of this Agreement during the period of such extensions. To implement an extension of time, an Amendment to the Agreement must be prepared and executed by the City and by the County.

Except as otherwise provided herein, any amendment(s) to this Agreement shall be at the mutual consent of the County and the City and shall be executed by an authorized designee of the County and approved as to form for the County by County Counsel.

10.2 Independent Contractor

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

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

10.3 Subcontracting

The requirements of this Contract may not be subcontracted by the City without the advance written approval of the County. Any attempt by the City to subcontract without first obtaining prior written approval and the prior consent of the County may be deemed a material breach of this Contract.

10.3.1 If the City desires to subcontract, the City shall provide the following information promptly to the County:

- A description of the work to be performed by the Subcontractor;
- A draft copy of the proposed subcontract; and
- Other pertinent information and/or certifications requested by the County.

10.3.2 The City shall indemnify and hold the County harmless with respect to the activities of each and every Subcontractor in the same manner and to the same degree as if such Subcontractor(s) were the City employees.

- 10.3.3 The City shall remain fully responsible for all performances required of it under this Contract, including those that the City has determined to subcontract, notwithstanding the County's approval of the City's proposed subcontract.
- 10.3.4 The County's consent to subcontract shall not waive the County's right to prior and continuing approval of any and all personnel, including Subcontractor employees, providing services under this Contract. The City is responsible to notify its Subcontractors of this County right.
- 10.3.5 The City shall be solely liable and responsible for all payments or other compensation to all Subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.
- 10.3.6 City shall include all Subcontractors as insureds under City's own policies or shall provide County with each Subcontractor's separate evidence of insurance coverage. City shall be responsible for verifying each Subcontractor complies with the required insurance provisions set forth in this Contract.

10.4 City's Compliance with County's Defaulted Property Tax Reduction Program

The City acknowledges that the County has established a goal of ensuring that all individuals and businesses that benefit financially from the County through any contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers. Unless the City qualifies for an exemption or exclusion, the City warrants and certifies that, to the best of its knowledge, it is now in compliance, and during the term of this Agreement will maintain compliance, with Los Angeles County Code Chapter 2.206.

10.5 OSHA/CAL-OSHA Compliance

The City shall comply with the provisions of the Occupational Safety and Health Act of 1970 (29 U.S.C. § 661, et seq.) and the California Occupational Safety and Health Act (Chapter 993 of the 1973 Statutes of California).

10.6 Fair Labor

The City must comply with all applicable provisions of the Federal Fair Labor Standards Act and must indemnify, defend, and hold harmless the County and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited

to, the Federal Fair Labor Standards Act, for work performed by the City's employees for which the County may be found jointly or solely liable.

10.7 Citizenship

The City warrants that it fully complies with all laws regarding employment of aliens and others, and that all its employees performing services hereunder meet citizenship or alien status requirements contained in Federal statutes and regulations. The City shall indemnify, defend, and hold harmless, the County, its officers and employees from employer sanctions and any other liability that may be assessed against the City or the County, or both, in connection with any alleged violation of Federal statutes or regulations pertaining to the eligibility for employment of persons performing services under this Agreement.

10.8 Nondiscrimination

The City certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

10.9 County Lobbyists

The City and each County lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by the City, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160,. Failure on the part of the City or any County lobbyist or County lobbying firm retained by the City to fully comply with the County Lobbyist Ordinance shall constitute a material breach of this Agreement upon which the County may immediately terminate or suspend this Agreement.

10.10 Recycled Bond Paper

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

10.11 Notice to Employees Regarding the Federal Earned Income Credit

The City shall notify its employees and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

10.12 Consideration of GAIN/START Program Participants

Should the City require additional or replacement personnel after the effective date of this Agreement, the City will give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or Skills and Training to Achieve Readiness for Tomorrow (START) Program who meet the City's minimum qualifications for the open position. For this purpose, consideration will mean that the City will interview qualified candidates. The County will refer GAIN/START participants by job category to the City. Cities must report all job openings with job requirements to: gainstart@dpss.lacounty.gov and BSERVICES@OPPORTUNITY.LACOUNTY.GOV and DPSS will refer qualified GAIN/START job candidates. In the event that both laid-off County employees and GAIN/START participants are available for hiring, County employees must be given first priority.

10.13 Suspension and Terminations

The City agrees to suspend using County Funds on Project operations or otherwise for a period not to exceed sixty (60) working days effective immediately upon written notice of suspension from the County. This provision may be applied if, in the judgment of the County circumstances exist which could result in illegal or inappropriate expenditures of County Funds. The County's CEO or her designee may terminate this Agreement immediately by written notice to the City upon City's failure to comply with the provisions of this Agreement. It is also understood and agreed, however, that should the County determine that City's failure to perform relates to only part of the Project, the County, in its sole discretion, may elect to terminate only that part of the Agreement which shall in no way void or invalidate the rest of this Agreement. In the event of termination of all or part of this Agreement, the County shall be entitled to reimbursement of the portion of the County Funds not yet used by the City.

If this Agreement is terminated, the City shall within five (5) days of receipt of notice of termination from County, notify all other parties who are subcontractors of the City of such termination.

Nothing contained herein shall limit or prevent the County from seeking repayment of County Funds already used by the City which were not used in accordance with the conditions of this Agreement.

10.14 Termination for Default

This Agreement may be terminated immediately in whole or in part by the County by providing to the City a written Notice of Default if 1) the City fails to perform the work or progress toward achieving the objectives of the Project

within the time specified in this Agreement or any extensions approved by the County, 2) the City fails to perform any other covenant or conditions of this Agreement, or 3) the City misuses the County Funds. In its sole discretion, the County may include in the Notice of Default a period of time for the City to cure the Default(s).

10.15 Termination for Convenience

This Agreement may be terminated, in whole or in part, from time to time, when such action is deemed by the County, in its sole discretion, to be in its best interest. Termination of use of County Funds for the Project or otherwise shall be affected by notice of termination to the City specifying the extent to which the Agreement is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be specified in the termination notice.

After receipt of a notice of termination and except as otherwise directed by the County, the City shall stop using County Funds under this Agreement on the date and to the extent specified in such notice.

10.16 Termination for Improper Consideration

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

The City must immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report must be made to the Los Angeles County Fraud Hotline at (800) 544-6861 or <https://fraud.lacounty.gov/>.

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

10.17 Termination for Nonadherence to County Lobbyists Ordinance

The City, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the City, must fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the City or any County Lobbyist or County Lobbying firm retained by the City to fully comply with the County's Lobbyist Ordinance will constitute a material

breach of this Agreement, upon which the County may in its sole discretion, immediately terminate or suspend this Agreement.

10.18 Termination for Breach of Warranty of Compliance with the County's Defaulted Property Tax Reduction Program

The City acknowledges that the County has established a goal of ensuring that all individuals and businesses that benefit financially from the County through contracts are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County taxpayers. Unless the City qualifies for an exemption or exclusion, the City warrants and certifies that to the best of its knowledge, it is now in compliance, and during the term of this Agreement will maintain compliance, with the Los Angeles County Code Chapter 2.206.

Failure of the City to maintain compliance with these requirements shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of the City to cure such default within ten days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of the City, pursuant to County Code Chapter 2.206.

10.19 City's Acknowledgment of County's Commitment to Child Support Enforcement/Termination for Failure to Comply

The City acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The City understands that it is the County's policy to encourage all County contractors to voluntarily post the County's poster in a prominent position at the City's place of business. The City will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. Information and posters for printing are available at <https://lacounty.gov/residents/family-services/child-safety/safe-surrender/>."

The City must notify and provide to its employees and will require each subcontractor to notify and provide to its employees, information regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. Additional information is available at <https://lacounty.gov/residents/family-services/child-safety/safe-surrender/>."

10.20 Scope of Application

The terms and conditions set forth in this Agreement apply solely to the subject matter described herein. These provisions are limited to the specific project

and scope of services defined within the four corners of this Agreement, including attached exhibits. They do not extend to other agreements, projects, or matters not explicitly addressed in this document.

11.0 NOTICES AND APPROVALS

All notices and approvals shall be directed to and made by the following representatives of the parties:

a. To the County:

Chief Executive Office Homeless Initiative Division
Kenneth Hahn Hall of Administration, Room 493 500 West Temple Street
Los Angeles, CA 90012 Attn: Courtney Price
Email: cprice@ceo.lacounty.gov

b. To the City:

City of Redondo Beach
415 Diamond Street Redondo Beach, CA 90277
Attn: Joy Ford, Senior Deputy City Prosecutor
Michael W. Webb, City Attorney
Emails: Joy.Ford@redondo.org, Michael.Webb@redondo.org

12.0 SEVERABILITY

If any provision of this Agreement, or the application thereof, is held to be invalid, that invalidity shall not affect other provisions or applications of the Agreement that can be given effect without the invalid provision or application, and to this end the provisions of the Agreement are severable.

13.0 EFFECTIVE DATE

After the Agreement has been executed by the City's authorized representative, the effective date of the Agreement shall be the date that the Agreement is fully executed by the County's CEO or her designee.

14.0 COMPLIANCE WITH LAW

The City shall comply with all applicable federal, state, County, and local laws, statutes, ordinances, codes, rules, regulations, directives, and policies in connection with its activities pursuant to this Agreement, including but not limited to CEQA, environmental laws, fair housing laws, prevailing wage laws, zoning laws, building codes and regulations, and laws relating to accessibility to, usability by, and discrimination against, disabled individuals.

15.0 GOVERNING LAWS, JURISDICTION AND VENUE

This Agreement shall be governed by and construed in accordance with the laws of the State of California. To the maximum extent permitted by applicable law, the City and the County agree and consent to the exclusive jurisdiction of the courts of

the State of California for all purposes concerning this Agreement and further agree and consent that venue of any action brought in connection with or arising out of this Agreement, shall be exclusively in the County of Los Angeles.

16.0 RIGHTS AND REMEDIES NOT EXCLUSIVE

The rights and remedies of the County provided in any given paragraph, as well as throughout the Agreement, are not exclusive and are cumulative with any and all other rights and remedies under the Agreement, at law, or in equity.

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IN WITNESS WHEREOF, City has executed this Agreement, or caused it to be duly executed by its authorized representative, and County by order of its Board, has delegated to its CEO the authority to execute this Agreement on its behalf on the date and year written below.

COUNTY OF LOS ANGELES

By *Joseph M. Nicchitta for*
Joseph M. Nicchitta for (Sep 10, 2024 11:35 PDT)

FESIA A. DAVENPORT
Chief Executive Officer

APPROVED AS TO FORM FOR THE COUNTY:

DAWYN R. HARRISON
County Counsel

By *AL*
Ana Lai (Aug 21, 2024 17:00 PDT)

ANA LAI
Senior Deputy County Counsel

CITY OF REDONDO BEACH

By *Michael W. Webb*
Michael W. Webb (Aug 21, 2024 17:08 PDT)

MICHAEL W. WEBB
City Attorney

By *James A Light*
James A Light (Aug 21, 2024 17:23 PDT)

JAMES A. LIGHT
Mayor

By *Eleanor Manzano*
Eleanor Manzano (Aug 26, 2024 12:09 PDT)

ELEANOR MANZANO

EXHIBIT A

STATEMENT OF WORK

EXPANSION OF THE REDONDO BEACH PALLET SHELTER

1.0 OVERVIEW

In December of 2020, the City of Redondo Beach (the City) placed fifteen (15) adults from the streets into newly built tiny homes from the Pallet Company at a site located at 1521 1/2 Kingsdale Avenue in the City ("Pallet Shelter"). In September of 2022, the City added five more units, bringing the total to twenty (20) tiny homes at the Pallet Shelter. To date, fifty-five (55) adults who stayed at the Pallet Shelter have been permanently housed. That is a 56% exit rate from interim housing to permanent housing; whereas the percentage of exits from shelter to permanent housing solutions within the City's Service Planning Area ("SPA"), SPA 8, is 17%. All twenty (20) units are always occupied, and there is always a waitlist for people experiencing street homelessness.

The City's Pallet Shelter was built and operates in partnership with the County of Los Angeles ("County"). The Pallet Shelter has a useful life of 10 years. The service provider that manages the shelter is Harbor Interfaith Services who provides full wrap-around services, including health and behavioral services, employment assistance, case-management, and housing navigation. The non-congregate setting makes residents feel safer than congregate shelters, particularly for women and elderly.

The existing Pallet Shelter is located in an industrial zone in the City. Immediately north of and contiguous to the site of the Pallet Shelter, there is a vacant lot that is the property of the City. The City Council has approved this lot for the expansion of the Pallet Shelter if funding is identified. Using this lot for the additional units would result in cost savings per bed given the original Pallet Shelter is already there.

The total cost to expand the Pallet Shelter is estimated to be up to \$1,568,000. Los Angeles County Supervisorial District Two is contributing \$800,000 to the City for the capital cost of expanding the Pallet Shelter.

2.0 PROJECT

The Project funded in part by this agreement will support the City to add twenty-five (25) units at the identified lot immediately north of and contiguous to the Pallet Shelter located at 1521 1/2 Kingsdale Avenue in the City to be used as emergency interim housing for people experiencing homelessness so that they can be safely

housed while they create, and complete housing plans and behavioral health plans as needed to become permanently housed.

3.0 TASKS/DELIVERABLES

The City shall complete the following tasks and deliverables:

Task No.	Task	Deliverable
1	<u>Site Plan</u> Plans will be developed that incorporate grading of the property to meet existing land conditions and incorporate ADA access, shelter pad placement, sewer grading for restrooms and general accessibility.	Within 30 days of approval of the Site Plan, provide a copy to County.
2	<u>Electrical Engineering</u> The electrical infrastructure of the original shelter was designed for a temporary facility with a six-month to one-year lifespan. This was done utilizing temporary power poles to provide electricity to the shelter and office units. While this setup has worked effectively, it was installed as a temporary measure. An expanded shelter would need to have permanent electrical supplied to the site through the installation of long-term support structures. It should be noted that Southern California Edison is likely to require the City to proceed with a permanent electrical installation at the existing pallet site, irrespective of expansion.	Within 30 days of completion, provide County with proof of permanent electrical installations.
3	<u>Building Plan Design and Architecture</u> The original shelter was based on a temporary concept. New longer-term structure installation will be required to be supported with restroom and shower facilities, electrical, mechanical, and plumbing that meet current housing standards, and level foundations to anchor the units in a more permanent fashion. Architectural and planning designs would need to be developed for review by LACHD Building & Safety, and the Fire Department.	Within 30 days of completion, City to provide County with documentation of installation of required electrical, mechanical, and plumbing.

4	<p><u>Grading, Paving and Accessibility and Retainment/ Construction and Installation</u></p> <p>Constructing and installing 25 new shelter units and support elements will require grading, paving, and accessibility upgrades, as well as the addition of permanent electrical and plumbing services to current code standards. The upgrades will serve purposes beyond the pallet shelter program. The electrical upgrades will be helpful for maintenance and operations. It is likely that the permanent power would be used to charge equipment batteries and vehicles and provide onsite lighting and camera security.</p>	<p>Within 30 days of completion, City to provide upon receipt proof of permitting for grading, paving, and other upgrades.</p>
5	<p><u>Electrical and Plumbing</u></p> <p>The City will complete all necessary electrical work on site. The City will complete all necessary plumbing work on the site.</p>	<p>Within 30 days of completion, provide County with a copy of completed electrical and plumbing work.</p>
6	<p><u>Restroom and Showers</u></p> <p>The City will ensure that restrooms and showers are built to adequately accommodate the additional shelters.</p>	<p>Within 30 days of completion, provide County with documentation for the added restroom and shower facilities</p>

EXHIBIT B

PRICING SCHEDULE

EXPANSION OF THE REDONDO BEACH PALLET SHELTER

MAXIMUM NOT TO EXCEED CONTRACT COST/SET FEE: \$800,000 for tasks and deliverables rendered consistent with the Statement of Work, Exhibit A, during the Agreement Term of this Agreement at the direction of the County Project Manager.

Payment shall be made in arrears in a manner subject to the conditions as set forth here and in Section 3.0, Funding, Paragraph 3.1 of this Agreement. Any costs incurred to complete this project in excess of the maximum not-to-exceed cost shall be borne by the City.

TASKS AND DELIVERABLES:	
Site Plan	\$50,000
Electrical Engineering	\$50,000
Building Plan Design and Architecture	\$75,000
Grading, Paving and Accessibility and Retainment/Construction and Installation	\$245,000
Electrical and Plumbing	\$285,000
Restroom and Showers	\$95,000
TOTAL	\$800,000

*Changes within line items and/or categories require written authorization from the County Project Manager. Written authorization may be defined to include letter, email, and fax. An amendment is not required for changes within line items of a funding category, not to exceed the maximum contract amount.

FUNDING AGREEMENT WITH
City of Redondo Beach
FOR
City of Redondo Beach Temporary Emergency Shelter Pallet Site Program

PROJECT TITLE: City of Redondo Beach Temporary Emergency Shelter Pallet Site Program

PROJECT NUMBER: B40003-22

CONTRACT NUMBER: 112558

THIS AGREEMENT ("Agreement") is made and entered into this *20th* day of 2022.

BY **LOS ANGELES COUNTY DEVELOPMENT AUTHORITY**, a body corporate and politic, and a subdivision of the State of California, hereinafter referred to as (the "LACDA"),

AND City of Redondo Beach, a Chartered Municipal Corporation, hereinafter referred to as (the "Grantee").

WITNESSETH:

WHEREAS, on June 13, 2017, the County Board of Supervisors ("Board") acting as the Board of Commissioners of LACDA authorized the Executive Director of the LACDA, or his designee, to execute agreements and subsequent amendments with the County of Los Angeles ("County") that are required to implement Homeless Initiative strategies adopted by the Board to combat homelessness in the County; and incorporate Measure H funds into the LACDA's budget for each fiscal year the funds are available;

WHEREAS, on July 13, 2021, the Board approved funding allocations for each of the Measure H eligible Homeless Initiative strategies that included an allocation to LACDA for Strategy B4;

WHEREAS, the Grantee desires to take action to address homelessness in their community;

WHEREAS, representatives of LACDA and the Grantee believe that it would be mutually beneficial, and, indeed, a public service, to accommodate such participants; and

WHEREAS, the Grantee desires to participate in said program and is qualified by reason of experience, preparation, organization, staffing and facilities to provide the services and implement the Project described herein.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein, the parties hereto agree as follows:

A. Funding

1. The LACDA hereby grants, in accordance with this Agreement, to the Grantee Measure H Funds to be exclusively used for the Project, as further described in Exhibit A and incorporated herein by reference.
2. The Grantee agrees to expend the Measure H Funds exclusively for the Project as further described in Exhibit A and according to the Task and Timeline, Project Implementation/Progress Schedule, and Budget.
3. The Measure H Funds will be reimbursed to the Grantee within thirty (30) days after an invoice to the LACDA from the Grantee up to (\$250,000.00) dollars (\$Two Hundred Fifty Thousand Dollars and Zero Cents).
4. The LACDA reserves the right to discontinue funding the Project in its reasonable estimation that: (1) there has not been reasonable progress with the Project, (2) the LACDA determines that the Grantee is incapable of satisfactorily completing the Project (3) the content of any required written reports, including Project Status Reports, Expenditure Reports, and Project Final Report are unsatisfactory. The LACDA shall provide Grantee with notice of any such potential discontinuity of funding and a reasonable opportunity to cure any deficiencies in performance prior to discontinuing project funding. In the event of discontinuation of funding by the LACDA, any unexpended Measure H Funds shall immediately be returned to the LACDA. Any such decision to discontinue funding shall be made by the Executive Director or his designee.

B. Agreement Term

Subject to Section I.20 of this Agreement, the term of the Agreement will be from the Effective Date until completion of the Project.

C. Project Administration

1. The Grantee shall complete: (1) Project Status Reports (2) Project Final Report in a format acceptable to the LACDA; The LACDA will provide samples of acceptable format templates. The reports will be completed on the dates specified in the following schedule:

Due Dates of Project Status Reports shall be monthly within thirty (30) days of the start of the contract and the Project Final Report shall be due one hundred twenty (120) days after the Project is completed. If there are delays in the receipt of portions of the collection to the Grantee due to the COVID-19 pandemic or other reason beyond the control of the Grantee, the Grantee will provide the LACDA a revision to the schedule.
2. The Grantee agrees to notify the LACDA about any material change in the Measure H funded activities for the Project.
3. Project Final Report shall address each of the deliverables in Exhibit A,

along with Project Status Reports appended to the final report, and appropriate documentation to support the expenditures of Measure H Funds for the completed Project.

4. All completed Project Status Reports and Project Final Report shall be sent to the County at the following address:

Los Angeles County Development Authority
Community Development Division-Grants Management Unit
700 W. Main Street
Alhambra, California 91801

5. The Grantee agrees to notify the LACDA about any of the following: (1) any change in key personnel for the Project or the Grantee; and (2) any change in address or phone number, and (3) any change in tax exempt classification under the Internal Revenue Code.
6. Any material variation in the Project, Budget, Task and Timeline or use of the Measure H Funds requires the advance express written approval by the LACDA and, if approved, may require an amendment to this Agreement.

D. The LACDA's Right to Return of Funds or Property

1. Any Measure H Funds not used by the Grantee for the purposes of the Project as further described in the Exhibit A and as set forth in the Budget shall remain the property of the LACDA, and the Grantee shall, upon request by the LACDA, promptly repay the LACDA any such Measure H Funds.
2. If there are any unused Measure H Funds at the expiration or termination of the Agreement term, the Grantee shall promptly return any such Measure H Funds.
3. The LACDA reserves the right to take possession of any property purchased with misused and/or unused Measure H Funds if the Grantee fails to make timely repayment of the Measure H Funds.
4. Nothing contained in this Section D shall limit or prevent the LACDA from taking any and all action to seek repayment of unused Measure H Funds or Measure H Funds which were not used in accordance with the terms of this Agreement.

E. Indemnity, Insurance and Records Retention

1. Indemnity

The Grantee agrees to indemnify, defend, and hold harmless the LACDA, the County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("LACDA Indemnitees") from and against any and all liability, actions, causes of action, or expense of any kind, including, but not limited to, defense costs and legal fees, and claims for damages of any nature whatsoever,

including, but not limited to, bodily injury, death, personal injury, or property damage arising from or connected with Grantee activities, operations or services relating to the Project, including any workers' compensation suits, Federal Fair Labor Standards Act, State wage or hour law violations, liability, or expense, arising from or connected with services performed by or on behalf of the Grantee by any person pursuant to this Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the LACDA Indemnitees.

2. Insurance

Without limiting the Grantee's indemnification of LACDA, the Grantee shall provide and maintain at its own expense during the term of this Agreement the following program(s) of insurance covering its operations hereunder. Such insurance shall be provided by insurer(s) satisfactory to the LACDA's Risk Manager and evidence of such programs satisfactory to the LACDA shall be delivered to the LACDA on or before the effective date of this Agreement. Such evidence shall specifically identify this Agreement and shall contain express conditions that LACDA is to be given written notice at least thirty (30) days in advance of any modification or termination of any program of insurance. All such insurance, except for Workers' Compensation, shall be primary to and not contributing with any other insurance or self-insurance coverage maintained by LACDA and shall name the LACDA as an additional insured.

- a. Commercial General and Auto Liability: with limits of not less than \$1 million per occurrence.
- b. Workers' Compensation: A program of Workers' Compensation Insurance in an amount and form to meet all applicable requirements of the Labor Code of the State of California, and which specifically covers all persons providing services by or on behalf of Grantee and all risks to such persons under this Agreement and including Employer's Liability coverage with a \$1 million per limit.
- c. Crime Insurance: A comprehensive blanket crime insurance policy with each insuring agreement in an amount not less than \$25,000, insuring against loss of money, securities, or other property referred to hereunder which may result from:
 - (1) Dishonesty or fraudulent acts of officers, directors, or employees of Grantee, or
 - (2) Disappearance, destruction or wrongful abstraction inside or outside the premises or Grantee, while in the care, custody or control of the Grantee, or
 - (3) Sustained through forgery or direction to pay a certain sum in money.
- d. Property Coverage: If, under the terms of this Agreement, Grantee shall have possession of rented or leased or be loaned any LACDA- owned real

or personal property, Grantee shall provide:

- (1) For real property: insurance providing special form ("all risk") coverage for the full replacement value.
- (2) For personal property: insurance providing special form ("all risk") coverage for the actual cash value.

- e. Records Retention and Inspection: Within ten (10) days of the Executive Director or his designee's written request, the Grantee shall allow the LACDA access to financial and program records during regular business hours at any place Grantee keeps those records.

F. Financial Records and Auditing

1. The Grantee agrees to maintain satisfactory financial accounts, documents, and records of the expenditure of the Measure H Funds and to make them available to the LACDA for auditing at reasonable times. The Grantee also agrees to retain such financial accounts, documents, and records for five (5) years following termination of this Agreement.
2. The Grantee agrees to use a generally accepted accounting system. The Grantee also agrees to maintain, and make available for LACDA inspection, accurate records of all of its costs, disbursements, and receipts with respect to its activities under this Agreement.
3. At any time during the term of this Agreement or at any time within five (5) years of the expiration or other termination of this Agreement, authorized representatives of the LACDA may conduct an audit of the Grantee records for the purpose of verifying appropriateness and validity of expenditures of Measure H Funds under the terms of this Agreement.
4. The Grantee, within thirty (30) days of notification from the LACDA of its audit findings, may dispute the audit findings in writing to the LACDA and provide the LACDA with records and/or documentation to support the expenditure claims. The LACDA shall review this documentation and make a final determination as to the validity of the expenditures.
5. The Grantee will provide the Executive Director, or his designee, within one hundred twenty (120) days after the end of the fiscal year in which the Project was completed, a report itemizing actual expenditures funded by monies received pursuant to this Agreement.
6. It is understood and agreed that any funds paid to the Grantee hereunder may only be used for the purposes specified in this Agreement. In furtherance of this understanding, it is agreed that should the LACDA determine that any funds paid to the Grantee hereunder have been used for purposes other than those authorized by this Agreement, the Grantee is required to immediately refund any such improperly used funds to the LACDA.

G. Conflict of Interest

The Grantee covenants that neither the Grantee nor any of its agents, officers, employees, or sub-contractors who presently exercise any function of responsibility in connection with the program has a personal interest, direct or indirect, in the Agreement, except to the extent he or she may receive compensation for his or her performance pursuant to this Agreement.

The Grantee, its agents, officers, employees, and sub-contractors shall comply with all applicable Federal, State and local laws and regulations governing conflict of interest.

H. Authority

Grantee warrants and certifies that it possesses the legal authority to execute this Agreement and to undertake the proposed Project, and that a resolution, motion, or similar action has been fully adopted or passed, as an official act of the Grantee's governing body, authorizing receipt of the Measure H Funds, and directing and designating the authorized representative(s) of the Grantee to act in connection with the Project specified and to provide such additional information as may be required by the LACDA.

I. Standard Terms and Conditions

1. Amendments

Except as otherwise provided herein, any amendment(s) to this Agreement shall be at the mutual consent of the LACDA and the Grantee, and shall be executed by an authorized designee of the LACDA, and approved as to form for the LACDA by County Counsel.

2. Independent Contractor

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

The Grantee shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Agreement all compensation and benefits. The LACDA shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, worker's compensation benefits or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Grantee.

3. Assignments and Subcontracts

The Grantee shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of the LACDA, in its discretion, and any attempted assignment or delegation without

such consent shall be null and void. For purposes of this paragraph, the LACDA consent shall require a written amendment to this Agreement, which is formally approved and executed by the Grantee and Executive Director. In the event a transfer, exchange, assignment, or divestment results in a change in the person or entity with majority control of Grantee at the time of execution of this Agreement, such disposition is an assignment requiring the prior written consent of LACDA in accordance with applicable provisions of this Agreement.

Any assumption, assignment, delegation, or takeover of any of the Grantee's duties, responsibilities, obligations, or performance of same by any entity other than the Grantee, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason requires the LACDA's prior written approval. Failure to obtain such written approval shall be a material breach of this Agreement.

4. Grantee's Compliance with County's Defaulted Property Tax Reduction Program

The Grantee acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from the County through any contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers. Unless the Grantee qualifies for an exemption or exclusion, the Grantee warrants and certifies that, to the best of its knowledge, it is now in compliance, and during the term of this Agreement will maintain compliance, with Los Angeles County Code Chapter 2.206.

5. OSHA/CAL-OSHA Compliance

The Grantee shall comply with the provisions of the Occupational Safety and Health Act of 1970 (29 U.S.C. § 661, et seq.) and the California Occupational Safety and Health Act (Chapter 993 of the 1973 Statutes of California).

6. Fair Labor

The Grantee agrees to indemnify, defend, and hold harmless the LACDA, its agents, officers, and employees from any and all liability including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law violation including, but not limited to, Federal Fair Labor Standards Act for services performed by the Grantee's employees for which the LACDA may be found jointly or solely liable.

7. Citizenship

The Grantee warrants that it fully complies with all laws regarding employment of aliens and others, and that all its employees performing services hereunder meet citizenship or alien status requirements contained in Federal statutes and regulations. The Grantee shall indemnify, defend, and hold harmless, the LACDA, its officers and employees from employer sanctions and any other liability that may be assessed against the Grantee or the LACDA, or both, in connection with any alleged violation of Federal statutes or regulations pertaining

to the eligibility for employment of persons performing services under this Agreement.

8. Nondiscrimination

The Grantee shall not discriminate against any person on the basis of race, color, sex, sexual orientation, age, religious belief, national origin, marital status, physical or mental handicap, medical condition, or place of residence in the use of the Measure H Funds paid to the Grantee pursuant to this Agreement.

9. County Lobbyists

The Grantee and each County lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by Grantee, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of the Grantee or any County lobbyist or County lobbying firm retained by the Grantee to fully comply with the County Lobbyist Ordinance shall constitute a material breach of this Agreement upon which LACDA may immediately terminate or suspend this Agreement.

10. Use of Recycled Paper

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at LACDA landfills, the Grantee agrees to use recycled-content paper to the maximum extent possible on the Project.

11. Notice to Employees Regarding the Federal Earned Income Credit

The Grantee shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

12. Consideration of Gain/Grow Program Participants for Employment

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

13. Suspension and Terminations

The Grantee agrees to suspend using Measure H Funds on Project operations or otherwise for a period not to exceed sixty (60) working days effective immediately upon written notice of suspension from the LACDA. This provision may be applied if, in the judgment of the LACDA circumstances exist which could result in illegal or inappropriate expenditures of Measure H Funds. The Executive Director or his designee may terminate this Agreement immediately by written notice to the Grantee upon Grantee's failure to comply with the provisions of this Agreement. It is also understood and agreed, however, that should the LACDA determine that Grantee's failure to perform relates to only part of the Project, the LACDA, in its sole discretion, may elect to terminate only that part of the Agreement which shall in no way void or invalidate the rest of this Agreement. In the event of termination of all or part of this Agreement, the LACDA shall be entitled to reimbursement of the portion of the Measure H Funds not yet used by the Grantee.

If this Agreement is terminated, the Grantee shall within five (5) days of receipt of notice of termination from LACDA, notify all other parties who are subcontractors of the Grantee of such termination.

Nothing contained herein shall limit or prevent the LACDA from seeking repayment of Measure H Funds already used by the Grantee which were not used in accordance with the conditions of this Agreement.

14. Termination for Default

This Agreement may be terminated immediately in whole or in part by the LACDA by providing to the Grantee a written Notice of Default if 1) the Grantee fails to perform the work or progress toward achieving the objectives of the Project within the time specified in this Agreement or any extensions approved by the LACDA, 2) the Grantee fails to perform any other covenant or conditions of this Agreement, or 3) the Grantee misuses the Measure H Funds.

In its sole discretion, the County may include in the Notice of Default a period of time for the Grantee to cure the Default(s).

15. Termination for Convenience

This Agreement may be terminated, in whole or in part, from time to time, when such action is deemed by the County, in its sole discretion, to be in its best interest. Termination of use of Measure H Funds for the Project or otherwise shall be effected by notice of termination to the Grantee specifying the extent to which the Agreement is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be specified in the termination notice.

After receipt of a notice of termination and except as otherwise directed by the LACDA, the Grantee shall stop using Measure H Funds under this Agreement on the date and to the extent specified in such notice.

16. Termination for Improper Consideration

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

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

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

17. Termination/Suspension for Nonadherence to County Lobbyists Ordinance

The Grantee, and each County lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010, retained by the Grantee, shall fully

comply with the County's Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of the Grantee or any County Lobbyists or County Lobbying firm retained by the Grantee to fully comply with County's Lobbyist Ordinance shall constitute a material breach of this Agreement, upon which the LACDA may in its sole discretion, immediately suspend or terminate for default this Agreement.

18. Termination for Breach of Warranty of Compliance with the County's Defaulted Property Tax Reduction Program

The Grantee acknowledges that the LACDA has established a goal of ensuring that all individuals and businesses that benefit financially from the LACDA through contracts are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County taxpayers. Unless the Grantee qualifies for an exemption or exclusion, the Grantee warrants and certifies that to the best of its knowledge, it is now in compliance, and during the term of this Agreement will maintain compliance, with the Los Angeles County Code Chapter 2.206.

Failure of the Grantee to maintain compliance with these requirements shall constitute default under this Agreement. Without limiting the rights and remedies available to LACDA under any other provision of this Agreement, failure of the Grantee to cure such default within ten days of notice shall be grounds upon which LACDA may terminate this Agreement and/or pursue debarment of the Grantee, pursuant to County Code Chapter 2.206.

19. Grantee's Acknowledgment of County's Commitment to Child Support Enforcement/Termination for Failure to Comply

The Grantee acknowledges that the LACDA places a high priority on the enforcement of child support laws and the apprehension of child support evaders. The LACDA understands that it is County's policy to encourage all LACDA contractors to voluntarily post County's L.A.'s Most Wanted: Delinquent Parents poster in a prominent position at Grantee's place of business. The LACDA will supply the Grantee with the poster to be used.

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

Failure of the Grantee to maintain compliance with the County's Child Support

Compliance Program shall constitute a default under this Agreement. Without limiting the rights and remedies available to the LACDA under any other provision of this Agreement, failure of the Grantee to cure such default within 90 calendar days of written notice shall be grounds upon which the LACDA may suspend or terminate this Agreement.

20. Survival of Termination

Any provision of this Agreement which imposes an obligation after termination or expiration of this Agreement shall survive the termination or expiration of this Agreement, including but not limited to the following Sections of this Agreement: A.4, E, F.1., G, I.6, and I.7.

J. Notices and Approvals

All notices and approvals shall be directed to and made by the following representatives of the parties:

a. To the LACDA:

Los Angeles County Development Authority
Community Development Division-Grants Management Unit
700 W. Main Street
Alhambra, California 91801
Los Angeles, CA 90012

b. To the Grantee:

Attn: Mayor or Executive Director
City of Redondo Beach
«Street_Address_»
Redondo Beach, CA 9027 -

K. Severability

If any provision of this Agreement, or the application thereof, is held to be invalid, that invalidity shall not affect other provisions or applications of the Agreement that can be given effect without the invalid provision or application, and to this end the provisions of the Agreement are severable.

L. Effective Date

After the Agreement has been executed by the Grantee's authorized representative, the effective date of the Agreement shall be the date that the Agreement is fully executed by the Executive Director, or his designee.

M. Compliance with Law

The Grantee shall comply with all applicable Federal, State and County law, regulations and policies in connection with its activities pursuant to this Agreement.

N. Governing Laws, Jurisdiction and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of California. To the maximum extent permitted by applicable law, the Grantee and the LACDA agree and consent to the exclusive jurisdiction of the courts of the State of California for all purposes concerning this Agreement and further agree and consent that venue of any action brought in connection with or arising out of this Agreement, shall be exclusively in the County of Los Angeles.

O. Rights and Remedies Not Exclusive

The rights and remedies of the LACDA provided in any given paragraph, as well as throughout the Agreement, are not exclusive and are cumulative with any and all other rights and remedies under the Agreement, at law, or in equity.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Contract to be subscribed by the Executive Director of the Los Angeles County Development Authority, and the Operating Agency has subscribed the same through its duly authorized officers, on the day, month and year first above written.

COUNTY OF LOS ANGELES

DocuSigned by:
Emilio Salas
AED1701B4ACB492

By: _____

EMILIO SALAS,
Executive Director
Los Angeles County Development Authority

City of Redondo Beach
Operating Agency

Nils Helge Nehrenheim

By: _____

Title: _____

Mayor Pro Tempore

APPROVED AS TO FORM:

DAWYN R. HARRISON
Acting County Counsel
Of the County of Los Angeles

APPROVED AS TO PROGRAM:

EMILIO SALAS,
Executive Director
Los Angeles County Development Authority

By: _____

BEHNAZ TASHAKORIAN
Principal Deputy County Counsel

By: _____

Director
Community Development Division

**Los Angeles County Development Authority
County of Los Angeles
Project Description and Activity Budget**

Contract No. 112558 Version 0

PROJECT	OPERATING AGENCY
Project No: B40003-22 Title: City of Redondo Beach Temporary Emergency Shelter Pallet Site Program Funding Period: To: 6/30/2023 Jurisdiction: County Measure H	Organization Name: City of Redondo Beach Type: Participating City LACDA Program Mgr: Vanessa Estella

Project Administration

Joy Abaquin
Quality of Life/Nuisance Abatement
Senior Deputy City Prosecutor
City of Redondo Beach | City Attorney's Office | 310-372-1171 ext. 2080
401 Diamond Street
Redondo Beach, CA 90277
Joy.Abaquin@redondo.org

Eligibility Summary

Funding Source: County Measure H
HUD Code: 21R Rental Assistance
Eligibility Citation: 000.000
National Objective: OTH
Nat. Objective Citation: 570.208(d)
Est. Accomplishments: Performance Indicator: Rental Assistance

Activity Summary

This new COVID 19-related project provides for site preparation construction activities at the project site for the City of Redondo Beach's installation of the additional Temporary Emergency Shelter Pallet project.

This project is intended to address the increasing number of people experiencing homelessness due to the pandemic by providing 5 additional shelter units to the existing 15 non-congregate shelter units also known as "tiny homes" in the City of Redondo Beach for a total of 20 units located at 1521 Kingsdale Avenue.

Project No: B40003-22 Version: 0

Los Angeles County Development Authority

Exhibit A

Site preparation works includes but not limited to: utility permits, trenching, demolition, on-site electrical materials, plumbing material connections, asphalt saw cutting, asphalt pavement patch and grave within the existing fenced-in secured location. This project is intended to address the increasing number of people experiencing homelessness due to the pandemic.

County H Measure funds will cover construction and consultancy costs.

Special Conditions

Program Management Mitigation Conditions

The Operating Agency will comply with applicable Federal, State and local regulations due to the multi-funded nature of this project. Federal regulations supersede State and local regulations. In the event of a conflict between Federal, State and local regulations, the most stringent regulation will apply and its compliance monitored.

MONITORING: The Operating Agency is responsible for monitoring the activities of the Subcontractor/Subrecipient for: program implementation, compliance with State and County financial requirements, including requirements and compliance with all other applicable regulations.

PROCUREMENT: The Operating Agency will comply with procurement standards for the purchase of all goods and contracted services as prescribed in County Requirements.

SUBRECIPIENT AGREEMENT/CONSULTANT SERVICES: The Operating Agency shall execute a professional services agreement with each consultant/contractor prior to incurring any costs or distributing any Measure H funds in compliance with county contractual requirements.

City of Redondo Beach will comply with all reporting requirements of Measure H. City of Redondo Beach or its contracted service provider will report required client data in HMIS.

City of Redondo Beach will ensure that Measure H grant has a separate cost center in its general ledger.

Environmental Mitigation Conditions

None.

Contracted Services/Subrecipients

Funding Summary

<u>Cost Category</u>	<u>Amount</u>	<u>Leverage Sources</u>	<u>Amount</u>
Uncategorized	\$250,000.00	General Fund	\$245,000.00
Total	\$250,000.00	Fed ESG-CV	\$679,000.00

Project No: B40003-22 Version: 0

Los Angeles County Development Authority**Exhibit A**

Other

\$216,521.00

Total**\$1,140,521.00****Service Area**RegionPopulation Low/Mod Pop**Grand Total:****0****0 NaN Low/Mod**

EXHIBIT B
INSURANCE REQUIREMENTS
FOR
PARTICIPATING CITIES

City of Redondo Beach
415 Diamond Street Redondo Beach CA 9027 -

No funds will be advanced, reimbursed, or disbursed until all of the insurance requirements set forth herein have been met. There absolutely will be no reimbursement of costs for the default and cure periods.

Exceptions to the insurance requirements as set forth herein, will be granted only on a case by case basis. Prior to the Operating Agency receiving funds, the LACDA will review the activities of the Operating Agency. Those Operating Agencies whose activities present no meaningful exposure to the LACDA and/or the County (as determined solely by the LACDA's Risk Management Administrator) may have certain insurance coverages waived by the LACDA's Risk Management Administrator upon the written request of the Operating Agency and approval from the LACDA's Risk Management Administrator.

The insurance policies are to contain and be endorsed to contain, the provisions set forth herein. All certificates of insurance and endorsements shall carry the following identifier: City of Redondo Beach

1.0 Insurance

In order for the Operating Agency to meet its obligations and insure its continuance, the Los Angeles County Development Authority ("LACDA"), and the County of Los Angeles ("County"), herein collectively referred to as the "Public Agencies", require that prior to the execution of this Contract, the Operating Agency must provide evidence that all insurance requirements have been met. Without limiting Operating Agency's indemnification of LACDA Indemnitees, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Operating Agency shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Section 9 this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Operating Agency pursuant to this Contract. The LACDA in no way warrants that the Required Insurance is sufficient to protect the Operating Agency for liabilities which may arise from or relate to this Contract.

1.1 Insurance Coverage

1.1.1 Commercial General Liability Insurance

Providing scope of coverage equivalent to ISO policy form CG 00 01, naming The LACDA, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively "LACDA and its Agents") as an additional insured, with limits of not less than:

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

1.1.2 Automobile Liability Insurance

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

1.1.3 Workers Compensation and Employers' Liability

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

1.2 Additional Unique Insurance Coverage

1.2.1 Sexual Misconduct Liability

Coverage is required when services in relation to this contract involve care or supervision of children, seniors and other vulnerable persons and insurance shall include covering for actual or alleged claims for sexual misconduct and/or molestation with limits of not less than \$2 million per claim and \$2 million aggregate, and claims for negligent employment, investigation, supervision, training or retention of, or failure to report to proper authorities, a person(s) who committed any act of abuse, molestation, harassment, mistreatment or maltreatment of a sexual nature.

1.2.2 Professional Liability/Errors and Omissions

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

1.2.3 Property Coverage

Operating Agencies given exclusive use of LACDA owned or leased property shall carry property coverage at least as broad as that provided by the ISO special causes of loss (ISO policy form CP 10 30) form. The LACDA and its Agents shall be named as an Additional Insured and Loss Payee on Operating Agency's insurance as its interests may appear. Automobiles and mobile equipment shall be insured for their actual cash value. Real property and all other personal property shall be insured for their full replacement value.

If the Operating Agency will have possession of, rent, lease, or be loaned LACDA owned real or nonexpendable personal property, the Operating Agency shall be required to insure the property for replacement cost under the Special Form Coverage. The LACDA shall be named on a Lenders Loss Payable Endorsement. Evidence of this shall be provided to the LACDA, prior to execution of this contract. Coverage shall be maintained for the duration of this contract.

The "Basic Form" or "Special Form" property insurance as follows:

A. The "Special Form" perils property insurance coverage shall be provided for both Builders Risk (course of construction) and completed operational property. All builders risk insurance shall provide coverage against theft, vandalism, malicious mischief, collapse, false work, temporary buildings on site, theft and vandalism to construction materials, building materials in transit and debris removal including demolition occasioned by enforcement of any applicable building codes. The amount of the property coverage shall at all times meet or exceed the full replacement value of materials supplied or installed by others and all existing structures, improvements and fixtures on the Mortgaged Property. There shall not be a "co-insurance" clause and the Operating Agency agrees to waive any co-insurance clause **to the full extent described in the insurance policy form**. If a co-insurance waiver is not commercially available at reasonable rates, the LACDA may waive this requirement. Said insurance shall be maintained for the duration of this Contract. The LACDA shall be named as loss payees on such policy.

B. If the "Special Form" is not available from the Operating Agency's underwriters due to market conditions or unreasonable costs, or the LACDA determine the "Basic Form" is preferred, the "Basic Form" may be obtained in lieu of the "Special Form." The "Basic Form" insurance coverage shall include, without limitation, insurance against the perils of fire and physical loss of damage including, without duplication of coverage, vandalism, malicious mischief and extended coverage. The amount of the property coverage shall at all times meet or exceed the actual cash value ("ACV") of all existing structures, improvements and fixtures on the Property. Said insurance shall be maintained for the duration of this Contract. The LACDA shall be named as loss payees on such policy.

1.2.4 Crime Coverage

Including, but not limited to, coverage against loss of money, employee theft/forgery, securities, inventory or other property, with limits in amounts not less than indicated if the aggregate budgeted amount for the current fiscal year allotted for the operating agency is less than fifty thousand dollars (\$50,000), the operating agency shall not be required to comply with this section c. if the aggregate budgeted amount for the current fiscal year allotted for the operating agency is greater than or equal to fifty thousand dollars (\$50,000), then the operating agency shall be required to comply with the following requirements in this Section C:

The Operating Agency shall procure and maintain, at its sole cost and expense, a fidelity bond covering each employee of the Operating Agency, whether or not they are compensated. The fidelity bond may be either a primary commercial blanket bond or a blanket position bond written by an insurer licensed by the California Insurance Commissioner. The Operating Agency shall provide thirty (30) days' notice to the LACDA prior to cancellation of the fidelity bond. The fidelity bond shall provide a minimum coverage equivalent to 50% of the cumulative Exhibit A project budget approved for the current fiscal year, not to exceed One Million Dollars (\$1,000,000). If the Operating Agency experiences an increase in funding during the fiscal year, the crime coverage requirement will be reassessed and additional coverage may be required in the sole and absolute discretion of the LACDA. The Operating Agency shall maintain the fidelity bond for the duration of this contract. The fidelity bond may contain a provision for a deductible amount from any loss which, except for such deductible provision, would be recoverable from the insurer. A deductible provision shall not be in excess of ten percent (10%) of the required minimum bond coverage. Any deviation from this fidelity bond section shall require specific written approval by the LACDA. The LACDA reserves the right, at its sole and absolute discretion, to amend at any time the requirements contained in this section C.

1.3 THIS SECTION INTENTIONALLY LEFT BLANK

1.4 Certificate of Insurance Coverage:

1.4.1

Certificate(s) of Insurance Coverage ("Certificate") satisfactory to LACDA, and a copy of an Additional Insured endorsement confirming LACDA and its Agents (defined below) has been given Insured status under the Operating Agency's General Liability policy, shall be delivered to LACDA at the address shown below and provided prior to commencing services under this Contract.

1.4.2

Renewal Certificates shall be provided to LACDA not less than ten (10) days prior to Operating Agency's policy expiration dates. The LACDA reserves the right to obtain complete, certified copies of any required Operating Agency and/or Sub-Contractor insurance policies at any time.

1.4.3

Certificates shall identify all required insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the Operating Agency identified as the contracting party in this Contract.

1.4.4

Certificates shall provide the full name of each insurer providing coverage, its National Association of Insurance Commissioners ("NAIC") identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any LACDA required endorsement forms.

1.4.5

Neither the LACDA's failure to obtain, nor the LACDA's receipt of, or failure to object to a non-complying Certificate or endorsement, or any other insurance documentation or information provided by the Operating Agency, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

1.4.6

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

Los Angeles County Development Authority
Contracting Division/Section
Contracting Division Address
Attention: Name and Title of Division Contact

1.5 Notices of Injury or Damage or Destruction

The Operating Agency also shall promptly report to LACDA any injury or property damage accident or incident, including any injury to an Operating Agency employee occurring on LACDA property, and any loss, disappearance, destruction, misuse, or theft of LACDA property, monies or securities entrusted to the Operating Agency. The Operating Agency also shall promptly notify LACDA of any third party claim or suit filed against the Operating Agency or any of its sub-contractors which arises from or relates to this Contract, and could result in the filing of a claim or lawsuit against the Operating Agency and/or LACDA.

1.6 Additional Insured Status and Scope of Coverage

The LACDA and its Agents shall be provided additional insured status under Operating Agency's General Liability policy with respect to liability arising out of Operating Agency's ongoing and completed operations performed on behalf of the LACDA.

LACDA and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the Operating Agency's acts or omissions, whether such liability is attributable to the Operating Agency or to the LACDA. The full policy limits and scope of protection also shall apply to the LACDA and its Agents as an additional insured, even if they exceed the LACDA's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

1.7 Cancellation of or Change to Maintain Insurance

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

1.8 Failure to Maintain Insurance

Operating Agency's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which LACDA immediately may withhold payments due to Operating Agency, and/or suspend or terminate this Contract. LACDA, at its sole discretion, may obtain damages from Operating Agency resulting from said breach. Alternatively, the LACDA may purchase the Required Insurance, and without further notice to Operating Agency, deduct the premium cost from sums due to Operating Agency or pursue Operating Agency reimbursement.

1.9 Operating Agency's Insurance Shall Be Primary

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

1.10 Insurance Specifics

1.10.1 Waivers of Subrogation

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

1.10.2 Sub-Contractor Insurance Coverage Requirements

Operating Agency shall include all Sub-Contractors as insureds under Operating Agency's own policies, or shall provide LACDA with each Sub-Contractor's separate

evidence of insurance coverage. Operating Agency shall be responsible for verifying that each Sub-Contractor complies with the Required Insurance provisions herein, and shall require that each Sub-Contractor name the LACDA and Operating Agency as additional insureds on the Sub-Contractor's General Liability policy. Operating Agency shall obtain LACDA's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

1.10.3 Deductibles and Self-Insured Retentions (SIRs)

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

1.10.4 Claims Made Coverage

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

1.10.5 Application of Excess Liability Coverage

Operating Agency may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

1.10.6 Separation of Insureds

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

1.10.7 Alternative Risk Financing Programs

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

1.11 LACDA Review and Approval of Insurance Requirements

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

The LACDA reserves the right, at its sole and absolute discretion, to amend at any time the provisions of this Exhibit B.