

**County of Los Angeles
Chief Executive Office**

Request for Proposals for Los Angeles Bioscience Investment Fund

**September 2018
RFP# CEO-RFP-BIO-2018**

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1.0 INTRODUCTION/PURPOSE

The County of Los Angeles (County) Chief Executive Office (CEO) is releasing this Request for Proposals (RFP) to solicit proposals from organizations that are interested and qualified to capitalize, launch, and manage an investment fund supporting bioscience startup companies in the County as well as the local ecosystem to which they belong (Los Angeles Bioscience Investment Fund or Fund).

Based on sectoral research and responses from the Request for Information for Los Angeles Bioscience Investment Fund issued in May 2018, the County CEO has concluded that there is sufficient capital demand and investment expertise to issue this RFP. Upon completion of the RFP solicitation process, one or more (up to two) selected proposers will enter into exclusive negotiations with the County and ultimately a separate agreement to accept a lead investment from the County and begin investment activities. The transactions contemplated by this RFP are authorized by Government Code Section 26227. The County Board of Supervisors (Board) has previously approved \$15 million that can be allocated directly to the Fund.

Proposals are due November 13, 2018.

2.0 BACKGROUND

2.1 County Policy Objectives

In 2015, the Board made economic development a priority to stimulate regional job growth and lift residents out of poverty. Seven industries were targeted based on their proven ability to create jobs and wealth. Bioscience is the first of the targeted industry sectors selected by the County for focused support. Over past economic cycles including the Great Recession, bioscience jobs have proven unaffected by economic downturn. The industry creates jobs for young and semi-skilled persons, as well as for scientists and entrepreneurs.

The strategic importance of the life sciences sector can be demonstrated by the County's \$10 billion annual budget for delivery of health services to its 10 million residents. The County Department of Health Services runs the nation's second largest municipal health system with five large hospital campuses and is a powerful consumer of medical goods and innovations unto itself. In addition to funding general operations, County expenditures are directed to support new devices, processes, and therapies that improve the public health of Los Angeles¹.

As part of its economic development program, the County has committed itself to the life sciences sector and earmarked up to \$15 million towards the launch of the Fund. Approximately \$5 million of these funds have already been placed in trust awaiting deployment into a new Los Angeles-focused investment vehicle. An additional \$2.4 million will become available in July 2019, with the remainder of the \$15 million available for capital call as needed.

While the County expects repayment of its capital plus a modest return, it also has core strategic interests in local economic development and public health as a social impact.

¹ References in this RFP to Los Angeles or the Los Angeles region refer to the County of Los Angeles.

2.2 Regional Economy

The Los Angeles region generates high volumes of cutting edge life science research and enjoys a trained workforce capable of launching and supporting commercial enterprises emerging from local research institutions and incubators. The quality and quantity of bioscience research being generated at UCLA, CalTech, USC, and Charles Drew University (as well as off-campus organizations like Cedars Sinai, City of Hope, and the Children's Hospital) is prolific. Last year, according to the Los Angeles Business Journal, universities, hospitals and for-profit companies across the County received \$998 billion in research funds from the National Institute of Health. Two of the nation's top 15 technology transfer universities are located in Los Angeles, and Southern California is saturated with engineers, PhDs, and Nobel laureates, according to the Boston Consulting Group.

UCLA tops the nation in startup creation, according to the Milken Institute. Despite the perception of a less hospitable startup environment, the County still boasts over 500 bioscience companies with a well-paid workforce of over 58,000, which often emerge from local research and talent. These metrics match or exceed those of San Diego, which is deservedly perceived as a national life sciences hub.

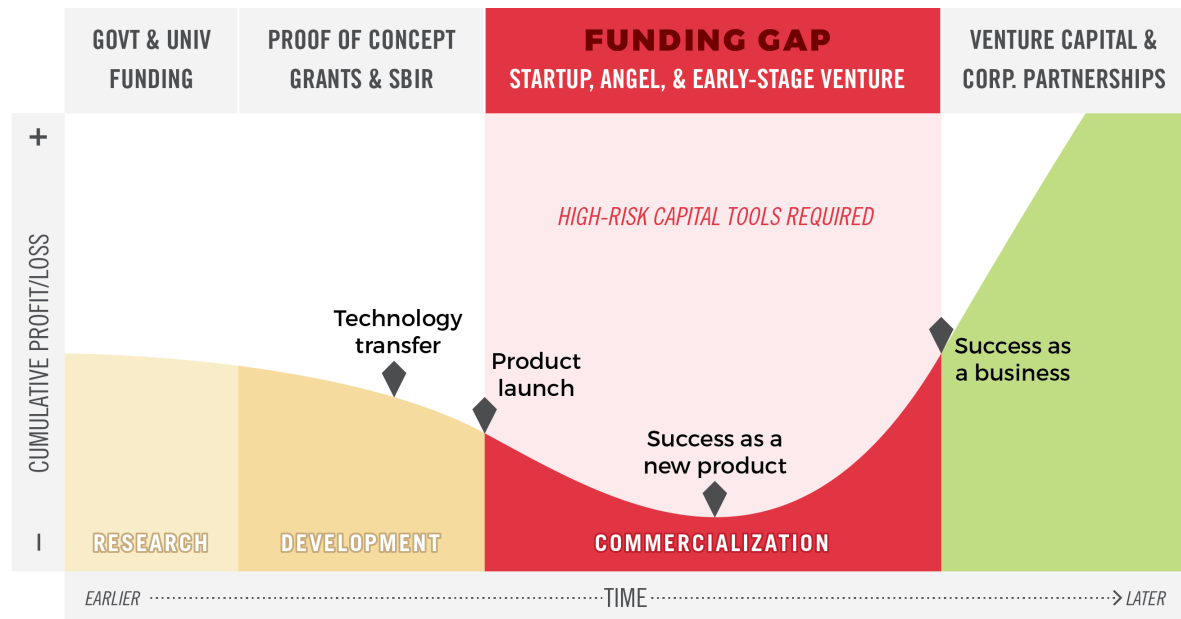


Rendering of new bioscience research building and incubator at LA BioMed

2.3 Innovation Economy

The County is committed to expanding the availability of early stage capital for researchers and young companies in the process of product development and commercialization. While Southern California has substantial investment capital at its disposal, a relatively modest proportion of Los Angeles' high risk capital is placed in the life sciences. This condition can create a dynamic where small companies are forced to follow capital to other ecosystems and depart the region. Given its world class research and talent, the County believes Los Angeles can assert a competitive advantage as a region by signaling its interest in early stage companies. By becoming an intentional investor in bioscience, Los Angeles can

make a national policy statement that it is an engaged and active protagonist in health care innovation. The County also wants to send a signal to the financial marketplace that investors will find investable early-stage and growth companies in the Los Angeles region, on par with pipelines from Northern California, Boston, or other recognized innovation hubs. As part of that signaling, the County intends to take a leadership role by seeding up to two Los Angeles-based bioscience investment funds focused on early stage ventures moving through the cash scarce commercialization stage.



2.4 Fund Model

The County seeks to catalyze a new investment vehicle (or expand an existing vehicle) to support regional bioscience startup companies as well as the local ecosystem to which they belong. While the County is open to alternative structures or models to accomplish this objective, it prefers and proposes a model with the following core aspects:

1. The County's investment will be in the form of debt with patient repayment terms consistent with early-stage payout expectations;
2. With the exception of the County's investment, limited partners will provide equity capital to the Fund in a manner consistent with industry norms.
3. The Fund will have a geographic focus on Los Angeles County, with local offices and personnel, and an industry focus on the life sciences, broadly defined²;
4. The Fund will target early-stage companies with Seed and Series A investments, especially those companies that are emerging from Los Angeles universities, research institutions, incubators, and accelerators; and
5. The Fund Manager must have the experience and capability to work with early stage ventures that require both high-risk capital and high-touch advising to develop.

² While the Fund is referred to as a Bioscience Investment Fund, we contemplate sectoral investment to potentially include biotechnologies like diagnostics and therapeutics; medical devices; health technologies like medtech, bioinformatics and digital health; biofuels; farm yield technologies; and other commercial sectors that exist at the confluence of scientific research and health.

The County understands that debt investment and the geographic constraints are nontraditional aspects of the Fund; however, the County believes its investment can still provide substantial incentive to quality fund managers and other investors.

With a County lead investment, the Fund's general partner will need to spend less time fundraising, thus freeing up resources to focus on making investments as well as supporting portfolio companies and the broader ecosystem. The proposed debt structure and terms will cater to early stage equity fund managers, which typically lack current income streams, because repayment will only be required once the Fund begins exiting its investments.

The Fund's limited partners will benefit from enhanced returns as a result of the leverage provided by the County, if the Fund performs well. Their equity stakes in the Fund will be on par with the County debt, not subordinated. This will keep the limited partners' downside risk in line with that of their commitments in other early stage funds without a debt component.



LA BioSpace Incubator located at the Rongxiang Xu Bioscience Innovation Center

2.5 Sample Debt Investment Terms

For its investment, the County intends to propose terms similar to those described below with the selected proposer(s).

Amount: The County anticipates making up to a \$15 million commitment and would expect a minimum 2:1 matching of equity investments, including some investment by the general partner.

Interest: The interest rate on the debt investment is expected to be set at the yield on a United States 10-year Treasury note, plus a one percentage point spread. Interest is not accrued until debt is drawn down for investments.

Fees: The County will charge the Fund an upfront commitment fee of no more than 1% of the total financing amount (i.e., \$150,000 for a \$15 million debt investment) as well as a drawdown fee of up to 2% on the amount of debt drawn each time the capital is called.

Maturity: Principal and unpaid accrued interest will become due and payable when the term of the Fund ends; presumably, ten (10) years from its inception or at the conclusion of its extension period.

Security: The debt is unsecured and requires no personal guarantees from the general partner of the Fund. The only debt recourse is to the investment portfolio itself.

Drawdown: The Fund's general partner can draw down capital for the purpose of making investments at any time so long as the agreed upon matching capital (e.g., 2x or 3x) has already been called or is being called from the limited partners in parallel.

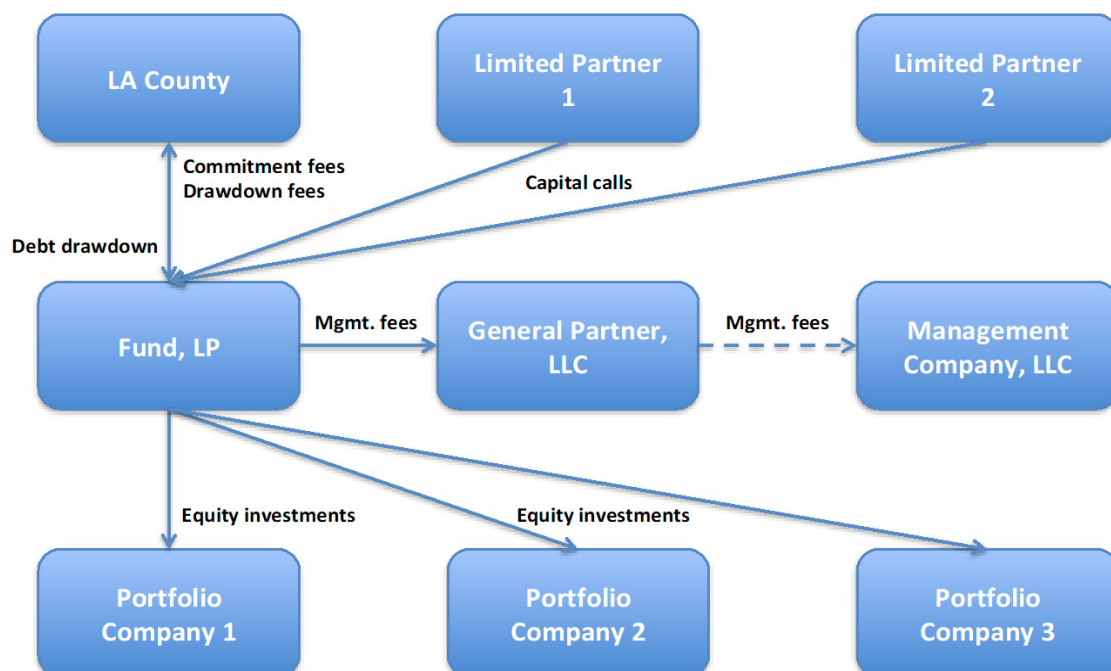
Repayment: Upon receiving any dividends or proceeds from a sale or financing event of a portfolio company, the Fund will treat repaying the debt pari passu with making distributions to the limited partners. Once the principal balance is paid off, any remaining accrued interest becomes payable.

2.6 Anticipated Fund Terms and Structure

While the County understands that an investment fund's structure and terms are unique to the fund manager and partners, the County intends to invest its debt capital in a Fund that reflects industry standards. The County would anticipate general partner economics of a 20% carried interest and management fees in the range of 2%, depending on its negotiations with limited partners. The County anticipates the Fund's term will be ten (10) years with a traditionally agreed-upon extension period and approval mechanism.

It is important to call out, however, that the general partner will not receive management fees from the County for the debt capital component of the Fund. The general partner must be able to expense the County's commitment and drawdown fees to the Fund and the limited partnership agreement should explicitly include this provision so that other investors are aware. Fund operations, including pipeline development and investee support, must also be financed out of the management fees provided by other limited partners.

Graphically, the Fund's structure would approximate the following:



3.0 STATEMENT OF WORK

The County expects that two core tasks will be undertaken as a part of the work of creating the Fund. The first is to secure investment capital and the second is to deploy that capital. The County has a set of expected activities for each set of tasks.

3.1 Fundraising

In securing capital for later deployment, the County intends to provide a lead investment of up to \$15 million. Upon completion of the evaluation period for this RFP, the County will enter into Exclusive Negotiation Agreements (ENA) with up to two proposers. The County expects negotiations to be completed within ninety (90) days of entering into the ENA. While there will be a negotiation, the County has a set of minimum parameters that it does not expect to negotiate which include the following:

- Location of Capital Deployment: At minimum, the percentage of the County's committed investment in the total fund size (i.e. a dollar amount equal to or greater than the County's full investment) must be invested in Los Angeles Companies³. Any commitment to invest a percentage of the Fund above that minimum required percentage in Los Angeles Companies will be disclosed as a part of the proposal submission and scored accordingly based on the criteria established in Paragraph 6.0 (Selection Process and Evaluation Criteria).
- Investment Stage: Capital will be used to make Seed and Series A investments, with the majority of the transactions taking place at the Seed stage.
- Investment Vertical: Capital will be invested into bioscience companies.
- Reporting: Reporting of both financial and impact metrics is expected (exact metrics to be defined during the ENA period).
- Fees: The County will not pay management fees on its debt investment into the Fund.
- Standardized Terms and Conditions: Please refer to Paragraph 7.0 (County Standard Terms and Conditions) for the terms and conditions which will be applicable to the finalized agreement.

In addition to successfully completing negotiations to secure the County's debt capital, it is expected that private capital will be fundraised and that 2x or more of the County's lead investment will be committed by other limited partners and investing will begin within approximately six months of a finalized contract. The County also requires that the proposer (presumably the general partner associated with the Fund) will invest at-risk capital into the Fund.

The County also expects that, upon execution of the agreement, an office of the Fund Manager will be opened in Los Angeles County if one does not already exist, and this office will have local staff and begin marketing its services. A website for the Los Angeles Bioscience Investment Fund is also expected.

3 A Los Angeles Company is defined as a company 1) Headquartered in Los Angeles County; 2) With significant operations/employment in Los Angeles County; 3) Where investment will be used to expand into Los Angeles County; and/or 4) Where analysis shows substantial economic or public health impacts in Los Angeles County.

3.2 Investment

The second core task identified by the County is the deployment of the Los Angeles Bioscience Investment Fund. The County expects that the full balance of the Fund will be deployed. The life of the Fund is anticipated to be ten (10) years. The Fund may draw down County capital for the purposes of making investments at any time so long as the agreed upon matching capital (e.g. 2x or 3x) has already been called or is being called from the limited partners in pari passu. In other words, the Fund Manager may choose to reserve the County debt as dry powder for follow-on investments or to draw it down pro rata with other capital calls.

As a function related to the deployment of capital, it is expected that the entity deploying funds maintain relationships with the full population of research institutes, universities, accelerators, incubators, ecosystem nonprofits, and other Los Angeles entities related to the investment pipeline. There is an expectation that a bench of mentors, advisors, and consultants will be provided to cultivate pipeline enterprises for investment as well as investee enterprises. For those enterprises selected for investment, it is expected that the Fund Manager will be able to support those enterprises in securing follow-on capital.

The Fund Manager is expected to maintain an office in Los Angeles for the life of the Fund and make investments in Los Angeles County, as explained earlier in this RFP. The County is currently seeking to secure and renovate office space to house an independent ecosystem catalyst entity, BioLA, and there is the possibility that the Fund could co-locate with BioLA if desired.

Throughout the life of the Fund, regular reporting will be made to the County and regular monitoring will take place by the County and/or its representatives. Finally, upon completion of the Fund's lifecycle, the Fund will repay the County's investment, accrued interest, and any outstanding transaction fees associated with deploying the County's funds.



4.0 SUBMITTAL REQUIREMENTS

Proposals shall be submitted in the form of a single PDF file (if possible) and an accompanying Excel spreadsheet with the Financial Model for the Fund. All sections must be labeled by number in the sequence shown below. Please limit your submission to **twenty (20) pages**⁴ excluding the Cover Letter, Table of Contents, Executive Summary, and Financial Model.

Proposals submitted in response to this RFP will be the basis on which the County will determine which proposer(s) it will select to enter into exclusive negotiations. Therefore, Proposers should be thorough, detailed and as concise as possible when responding to each proposal item and when assembling the proposal. Proposals should include responses to all items requested and the Proposer's concept must be aligned with the RFP background and proposed Statement of Work. Proposers will not be able to add to or modify their proposals after the proposal due date.

In submitting a proposal, the Proposer agrees the proposal will remain valid for 180 days after the deadline for submission of proposals and may be extended beyond that time by mutual agreement.

Proposal Outline

- 1 Cover Letter (not included in total page count)
- 2 Table of Contents (not included in total page count)
- 3 Executive Summary (not included in total page count)
- 4 Applicable Experience (Please identify each section in the proposal)
 - 4.1 Team
 - 4.2 Investing Experience
 - 4.3 Fundraising Experience
 - 4.4 Pipeline Experience
 - 4.5 Science/Technical Evaluation Experience
 - 4.6 Investee Support Experience
 - 4.7 Experience Securing Follow-on Funding
- 5 Proposed Fund Development and Deployment
 - 5.1 Fund Strategy
 - 5.2 Investment Thesis
 - 5.3 Fundraising Plan
 - 5.4 Pipeline Plan
 - 5.5 Investee Support Plan
 - 5.6 Follow-on Funding Plan
- 6 Proposed Financial Plan

The County reserves the right to reject any proposal that is incomplete or does not comply with the Proposal Outline.

The proposers must specifically label those provisions of their respective proposal which are "Trade Secrets", "Confidential", or "Proprietary", in nature.

⁴ Should Proposer's need in excess of 20 pages to include essential information, such as investor presentations or key diagrams or charts, additional page limits must be requested (and granted) in writing via email provided in Paragraph 5.2 prior to the submission deadline.

4.1 Cover Letter (Proposal Section 1)

Include a cover letter to identify the Proposer, name the key point of contact along with their contact information, and provide evidence or attest that the signor has legal authority to negotiate and/or enter into a binding contract on behalf of the Proposer's Team (Team). (Not included in total page count, but should not exceed two (2) pages.)

4.2 Table of Contents (Proposal Section 2)

Each Proposer must include a Table of Contents listing the various sections included in the Proposal and the corresponding page numbers.

4.3 Executive Summary (Proposal Section 3)

The Executive Summary is a brief statement of the key features of the Proposal, Team qualifications and evidence of understanding the Statement of Work. Proposers must describe the Team's strengths and qualifications, capacity to complete the Statement of Work, key experience and expertise and a statement explaining why the Proposer's proposal would be the best selection and why their model for the Fund would best serve the County's strategic goals. Proposers should briefly state how they meet each of the Threshold Requirements listed in Paragraph 6.2 of the RFP. (Not included in total page count, but should not exceed three (3) pages.)

4.4 Applicable Experience (Proposal Section 4)

This essential section of the Proposal should cover the Team's biographies and qualifications to secure and deploy the Fund's capital. Also covered in this section is the Team's investing, fundraising, and pipeline cultivation experience. The Proposer will also be asked to elaborate on the Team's experience evaluating science, developing investee's businesses and products, and supporting investees in securing follow-on funding. The proposal should provide documentation of past experiences and transactions.

4.4.1 Team

1. Briefly explain how the Proposer has assembled or will assemble a complete Team with the experience and capacity to carry out the activities covered in the Statement of Work. Please describe the Team's working history – existing, newly-formed, or spinoff – and how they will work together.
2. Provide biographies and a list of qualifications for each Team member with investing experience. Please also describe your junior and back office support. List key 3rd-party services providers if applicable (Please be as succinct as possible)
3. Provide an organization chart explaining the structure of the Fund and its associated entities, and key staff members, as they currently exist. The organization chart may cover staff who provide support but do not have investing experience. If there is no current organization in place, please state so and include an organization chart for your proposed entity later in this section.

4.4.2 Investing Experience

In this section please summarize the investing experience of the Team. It is important to provide the information requested in the format outlined.

1. Describe the investments made by the Proposer in Los Angeles Companies in a table format as shown below. Please see definition of Los Angeles Companies in previous RFP footnote 3.

SAMPLE TABLE	Amount	Stage	Fund Name & Vintage	Principal(s) who made investment	Sector & sub-sector	Research Origination
Company 1						
Company 2						

2. Describe the investments made by the Proposer in companies outside of Los Angeles County using the table format shown below.

SAMPLE TABLE	Amount	Stage	Fund Name & Vintage	Principal(s) who made investment	Sector & sub-sector	Research Origination
Company 1						
Company 2						

3. Describe the Los Angeles Companies that the Proposer provided advising or consulting support for, which subsequently received funding elsewhere. Use the table format below.

SAMPLE TABLE	Amount	Stage	Fund Name & Vintage	Principal(s) who made investment	Sector & sub-sector	Research Origination	Principal Role
Company 1							
Company 2							

4.4.3 Fundraising Experience

In this section please cover the fundraising experience of the Proposer. In an organized fashion please disclose successful fundraising activities. For each Fund, disclose the amount, year, and source of funds raised. (Please be as specific as possible)

4.4.4 Pipeline Experience

In this section please detail the partnerships and working relationships the Proposer has in place with pipeline organizations. (Please include names, email addresses, and phone numbers, as well as organizations for verification purposes)

4.4.5 Science/Technical Evaluation Experience

In this section please address both personal experience and capacity to evaluate science, as well as the experts previously utilized to evaluate scientific or technical issues.

1. What fields of life science or health technology has the Proposer previously evaluated?
2. What outside experts has the Proposer previously utilized to assess new science or healthcare technology? (Please be as specific as possible)

4.4.6 Investee Support Experience

In this section please address the in-house staff, retained consultants, and affiliations or other relationships the Proposer has available to provide a comprehensive set of business and product development supports to investees. For each resource, please include the name and describe the type of services provided.

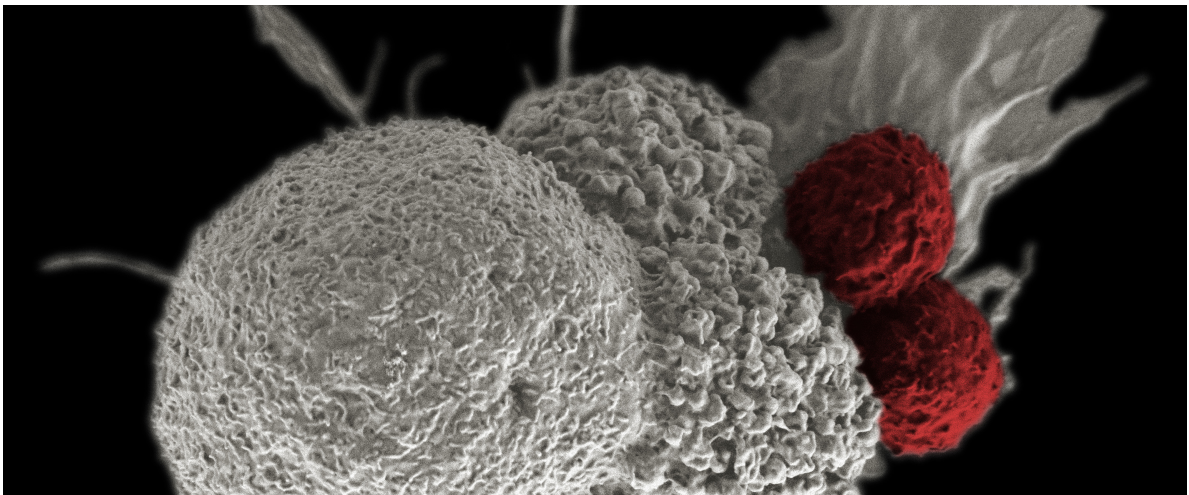
1. Full-time staff
2. Retained advisors or consultants
3. Affiliations or other relationships

4.4.7 Experience Securing Follow-on Funding

In this section please address the investments for which the Proposer has secured follow-on funding for early-stage investments. (Please be as specific as possible)

1. Describe other in-house funds or assets under management (AUM) investing at Series A-B stages.
2. Describe preferred referral relationships. Please include contact names for verification purposes.

List funds and/or investors who have committed follow-on capital to investments previously made by the Proposer.



Los Angeles companies have advanced new therapeutic modalities using CAR-T cells (above) to treat lymphoma and leukemia patients.

4.5 Proposed Fund Development and Deployment (Proposal Section 5)

This section of the proposal should cover the Proposer's planned fund strategy, investment thesis(es), pipeline plan, fundraising plan, investee supports, and follow-on funding.

4.5.1 Fund Strategy

In this section please address the strategic elements of the Fund. Describe the Fund and be sure to cover the following elements.

1. Provide an organization chart depicting the Fund's associated entities and staff allocated to those entities.
2. Describe the target fund size to meet the capital need.
3. Acknowledging that the County expects that its percentage of the Fund's deployable capital will be invested in Los Angeles Companies, please state how much of the total Fund the Proposer will commit to investing in Los Angeles Companies.
4. Describe the targeted split between Seed and Series A investments.
5. Describe the target investment size for Seed and Series A investments.
6. Describe the intended sectoral focus or foci for the Fund.

4.5.2 Investment Thesis

In this section cover the underlying investment thesis or theses that drive the fund strategy outlined in the preceding Paragraph 4.5.1.

1. Describe the Proposer's investment thesis or theses in selecting investees and creating value in those investees.
2. Provide an overview of how the opportunities in the Los Angeles ecosystem align with the fund strategy and investment thesis(es).

4.5.3 Fundraising Plan

In this section please detail the fundraising plan the Proposer expects to execute to reach the total target fund size. Disclose the amount and source of funds. (Please be as specific as possible)

4.5.4 Pipeline Plan

In this section please detail the outreach, connections, partnerships, and working relationships the Proposer expects to draw upon to develop a robust pipeline of potential investments. Highlight any new relationships that will be leveraged specifically for this Fund.

4.5.5 Investee Support Plan

In this section describe how the Team intends to leverage in-house staff, retained consultants, and affiliations or other relationships to support investees in reaching stage-appropriate milestones.

4.5.6 Follow-on Funding Plan

In this section please list the sources of follow-on funding the Proposer expects to utilize or approach to secure additional growth capital for the Fund's investment portfolio. (Please be as specific as possible)



Conceptual rendering of King-Drew Hospital redevelopment into MLK Behavioral Health Center

4.6 Proposed Financial Plan (Proposal Section 6)

In this section please share the financial plan and proposed terms for your limited partner investors. Specifically:

1. Acknowledging that many of the terms for the County's investment are set, please indicate the terms the Proposer expects to offer other limited partners.
2. State if the Proposer is prepared to pay the County's transaction fees (expected to be a 1% commitment fee and a 2% drawdown fee).
3. State the co-investment of personal funds that the Fund general partner expects to commit to the Fund.
4. Describe the expected performance for the Fund, and general partner and limited partner compensation, as it relates to that performance.
5. Share the expected timeline of the Fund, including fundraising, deployment, development, and exit milestones.
6. Provide a financial model (in Excel format) for the Fund with a waterfall and sensitivity analysis. Please include an operating budget (Not included in final page count).

5.0 THE RFP PROCESS

The timeline for this RFP is:

Release RFP	9/17/2018
Proposers' Conference/Webinar	10/10/2018
Written Questions Due	10/12/2018
Questions and Answers Released	10/19/2018
Proposals Due by (2:00 PM Pacific Time)	11/13/2018

5.1 RFP Proposers' Conference and Questions

A Proposers' conference will be held via webinar on or about October 10, 2018, time to be determined. The webinar is open to all interested proposers. Webinar participants are required to register for the webinar in advance to receive the specific time and log-on details. Interested proposers can register by going to (<http://economicdevelopment.lacounty.gov/bioscience/>).

Questions regarding this RFP must be submitted via email by 5:00 PM (Pacific Time) on October 12, 2018 with "Bioscience Investment Fund Questions" in the subject line and sent to economicdevelopment@ceo.lacounty.gov. The County's response to the questions will be released by October 19, 2018 and posted as an addendum on the County's Doing Business portal and on the County's Economic Development Bioscience web page. The County reserves the right to modify questions and group similar questions to help improve clarity.

Proposers may request a solicitation requirement review as detailed in Paragraph 5.3 (Solicitation Requirements Review)

5.2 Proposal Submission

The response to this RFP shall be made according to the requirements set forth in Paragraph 4.0 (Submittal Requirements), both for content and for sequence. Misrepresentations or noncompliance with these requirements may be cause for rejection of the proposal. Each proposing firm shall submit only one proposal. ***Proposals shall be submitted by email in the form of a single PDF file (if possible) and an accompanying Excel spreadsheet with the Financial Model to economicdevelopment@ceo.lacounty.gov.*** Alternative file sharing services may be utilized if requested by the Proposer in advance of the submission deadline.

Proposals must be received by **2:00 PM (Pacific Time) on November 13, 2018**. Proposals received after this deadline will not be accepted or considered. The County does not assume responsibility for documents that are incorrectly submitted.

5.3 Solicitation Requirements Review

Any person or entity may seek a Solicitation Requirements review by a request to the CEO by sending the review request to economicdevelopment@ceo.lacounty.gov. A request for a Solicitation Requirements review may be denied, in the County's sole discretion, if the request does not satisfy all of the following criteria:

1. The request for a Solicitation Requirements Review is made within ten (10) business days of the issuance of the solicitation document
2. The request for a Solicitation Requirements Review includes documentation, which demonstrates the underlying ability of the person or entity to submit a proposal
3. The request for a Solicitation Requirements Review itemizes in appropriate detail, each matter contested and factual reasons for the requested review
4. The request for a Solicitation Requirements Review asserts either that:
 - a. application of the Threshold Requirements, evaluation criteria and/or business requirements unfairly disadvantages the person or entity
 - b. due to unclear instructions, the process may result in the County not receiving the best possible responses from prospective proposers

The Solicitation Requirements Review shall be completed and the County's determination shall be provided to the requesting person or entity, in writing, within a reasonable time prior to the proposal due date.

5.4 Proposal Package Evaluation

The County will assemble an Evaluation Committee, consisting of investment professionals and subject matter experts, which will review proposal packages received based upon the criteria defined in Paragraph 6.0 (Selection Process and Evaluation Criteria) of this RFP.

5.5 Additional Information

Proposals may be disqualified if the County determines they are non-responsive to the RFP. Disqualified proposers will be notified in writing and can request a disqualification review as described in Paragraph 6.4.1 (Disqualification Review). The County reserves the right to meet with Proposers to seek clarification and understand further details of their proposals.

The County, at its sole discretion, may conduct interviews with the highest scoring Proposers. At an interview, Proposers would have the opportunity to answer questions from the Evaluation Committee as well as other subject matter experts.

5.6 Selection of a Fund Manager

Based on the review of the proposals by the Evaluation Committee, the County CEO will recommend one or more (up to two) high-ranking Proposers to the Board to execute an ENA.

Non-selected proposers will be notified and may request a proposed contractor selection review and County independent review as detailed in Paragraph 6.5.2 (Proposed Contractor Selection Review) and 6.6.1 (County Independent Review Process).

5.7 Letter of Intent

The selected Proposer(s) may be required at the request of the CEO to submit a Letter of Intent to the County outlining their proposal, including certain proposed terms and a high-level summary of the project.

5.8 Exclusive Negotiation Agreement

At the direction of the Board, the Fund Manager(s) and the County shall execute an ENA, which among other items, provides for an exclusive negotiation period of 90 days during which final deal terms can be negotiated and documented in associated agreements.

The initial negotiation period may be extended at the sole discretion of the County. If timely progress is not achieved during the exclusive negotiation period, the County may not extend and may subsequently enter into an exclusive negotiation with the next highest-rated Proposer.

Should the parties negotiate satisfactory terms of the Fund during the ENA period, then at the conclusion of the ENA process, the County and Fund Manager(s) will formalize deal terms through a loan agreement and associated agreements to guide the development of the Fund as authorized by the Board.

5.9 General Process Guidelines

The County reserves all rights to cancel the selection process, change the selection process, or not select a Proposer.

This RFP and selection process does not constitute any type of offer and imposes no contractual or other liability on the County. There is no guarantee that an agreement will be consummated. The County reserves all rights with regard to this solicitation, including, but not limited to, the right to amend or modify this RFP, reject all proposals, extend any dates, or, subject to an ENA, initiate negotiations with the next highest rated Proposer if negotiations with the highest-rated Proposer do not result in an agreement.

Should the County not receive qualified proposals of interest by a submittal deadline, it reserves the right to extend that deadline until qualified proposals of interest are received. Proposers are responsible for ensuring submittals are actually received.

All materials submitted during any part of the selection process become the exclusive property of the County. Submissions in response to this RFP become a matter of public record, with the exception of those parts of each proposal which are justifiably defined as business or trade secrets, and, if by the Proposer, plainly marked as "trade secret", "confidential" or proprietary". The County shall not, in any way, be liable or responsible for the disclosure of any such record or any parts thereof, if disclosure is required or permitted under the California Public Records Act or otherwise by law. The County shall not be responsible for any costs and/or obligations incurred by and/or on behalf of a potential fund manager in preparing, submitting or otherwise participating in any part of this RFP, the selection, documentation, or the development process in its entirety.

The County reserves the right to request clarifications or additional information from Proposers. Information included in this RFP is believed to be accurate but should be independently verified by potential Proposers prior to reliance upon.

The County will notify all proposers at the conclusion of the evaluation process prior to making a recommendation to the Board. All proposals will become a matter of public record when the final agreement is executed.

Prior to an award, all potential contractors must register in the County's WebVen. WebVen

contains the vendor's business profile and identifies the goods/services the business provides. Registration can be accomplished online via the Internet by accessing the County's home page at (<http://camisvr.co.la.ca.us/webven/>).

5.10 Process Integrity Guidelines

It shall be the policy of the County of Los Angeles to adhere to the following Process Integrity Guidelines during its selection of a Fund Manager pursuant to this RFP.

Each Proposer is individually and solely responsible for ensuring compliance with the following specific Process Integrity Guidelines. This responsibility extends to the Proposer's employees, agents, consultants, lobbyists, affiliates, and all other parties or individuals engaged by Proposer or otherwise acting in concert with Proposer for purposes of developing or supporting the selection process.

1. This policy shall be operative from release of this RFP until such time as the Board meeting at which the Board awards an agreement
2. Collusive activities among separate Proposer teams are expressly forbidden and may result in immediate disqualification of all involved parties
3. Proposers are prohibited from offering promotional outreach, hospitality, gifts, or other like activities directed toward County staff, elected or appointed officials, or proposal reviewers
4. All communication related to the RFP with the County must be directed to the County's contact(s) identified in the RFP. Contacting any other County staff member, elected or appointed officials, or proposal reviewers may result in disqualification of the Proposer
5. Notwithstanding the restrictions on communications set forth in bullets 3 and 4 above, nothing in this policy is intended to restrict or prohibit proposers from communicating with County staff and officials during an open Board meeting, or Proposer presentations
6. Any and all information provided by Proposers during any part of the RFP, selection, or documentation process shall be factually correct
7. Proposers are informed of this policy and are required to provide written acknowledgment and acceptance of these guidelines. Any evidence which indicates a Proposer has failed to comply with the Process Integrity Guidelines described herein may result in that Proposer's disqualification
8. Any questions regarding the Process Integrity Guidelines shall be in writing and shall be transmitted by mail to the County's contact(s) identified in the RFP



6.0 SELECTION PROCESS AND EVALUATION CRITERIA

6.1 Selection Process

- 6.1.1** The County reserves the sole right to judge the contents of the proposals submitted pursuant to this RFP and to review, evaluate and select the successful proposal(s). Evaluation of the proposals will be made by an Evaluation Committee consisting of investment professionals and subject matter experts. The Committee will evaluate the proposals and use the evaluation criteria described herein to select a prospective contractor. All proposals will be evaluated based on the criteria listed below. All proposals will be scored and ranked. As described in Paragraph 5.5 above, the County reserves the right to meet with Proposers to understand further details of their proposals and may conduct interviews with the highest scoring Proposers.
- 6.1.2** Proposals submitted in response to this RFP will be reviewed and scored for their relative strengths and weaknesses based on the responses to Paragraph 4.0 (Submittal Requirements) of the RFP. The following criteria will be used to evaluate each element of the proposal, and are weighted according to the County's priorities. Proposals that do not demonstrate that the Proposer meets all of the Threshold Requirements in Paragraph 6.2 of the RFP will be disqualified and will not be evaluated. The Evaluation Committee will consist of investment professionals and subject matter experts.



Participants in mentorship program with Grifols Biologicals, CSULA, and CSUN

6.2 Threshold Requirements (Pass/Fail)

- 1. Investing Experience:** Principals on the Proposer's Team must have at least twenty (20) years of collective investing experience and/or the Proposer's existing firm must have been actively investing for at least five (5) years.
- 2. Fundraising Experience:** The Fund, or collectively the Principals on the Proposer's Team, must have successfully fundraised or taken under management at least \$45 million within the last ten (10) years.
- 3. Location:** The Proposer must have an office or location that exists (or the ability to commit to opening an office or location) in Los Angeles County.
- 4. General Partner Co-Investment:** The Principals collectively must commit to personally invest a minimum of 0.5% of the total fund amount in the Fund (e.g. \$225,000 on a \$45 million fund)
- 5. No Sanctions:** Neither the Fund nor any Principal may be subject to sanctions from any regulatory body (such as the SEC, FINRA, or state regulators).
- 6. Complete Proposal:** The RFP response must be complete and responsive to all items identified in this RFP in order to be considered.

6.3 Evaluation Criteria

EVALUATION CRITERIA	MAXIMUM POINTS
Threshold Requirements (Paragraph 6.2)	Pass/Fail
A. Applicable Experience	60
B. Proposal for Fund Development and Deployment	30
C. Proposed Financial Plan	10

A. Applicable Experience (60%)

1. The Proposer's Team has demonstrated strong experience in venture investing, ideally in life science and/or early stage, and preferably in Los Angeles
2. The Proposer has established clear networks of investors and has successfully fundraised in the past
3. The Proposer has established existing partnerships with institutions capable of supplying sufficient pipeline of potential investments
4. The Team has demonstrated the capacity or available network to engage in scientific or technical review of investees
5. The Proposer has retained staff or secured access to professionals who can advise, consult, and mentor early-stage enterprises
6. The Proposer has managed other funds, or demonstrated strong relationships with other fund managers, to provide Series A/B follow on investment and planned exits
7. The Proposer has employed staff, professional service vendors, or other back office support to administer the fund

B. Proposal for Fund Development and Deployment (30%)

1. The Proposer has a clear strategy of how to deploy a target fund within sectors of expertise and within Los Angeles
2. The Proposer is willing to invest the entire Fund amount in Los Angeles Companies
3. The Proposer can clearly state what premise/condition creates new investment opportunities in Los Angeles Bioscience, and how value is created in enterprises
4. The Proposer has identified specific networks and pipeline partnerships to supply local, credible deal flow
5. The Proposer has investment partners in mind and can name credible prospects to meet fundraising match
6. The Proposer can name specific resources, persons, or agencies, that can be directed to support prospects/investees
7. The Proposer has internal resources or working relationships with strategic partners who can assess the Fund portfolio and invest subsequent rounds of financing

C. Proposed Financial Plan (10%)

1. The Proposer is willing to pay the County's transaction fees and forego receiving management fees from the County
2. The operating budget reflects a substantial portion of management fees supporting local office staff and enterprise support
3. The Financial Model credibly reflects waterfall benefiting general partners for performance, and attractive terms for limited partners to invest, and includes a sensitivity analysis

6.4 Disqualification Review

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

Upon receipt of the written determination of non-responsiveness, the proposer may submit a written request for a Disqualification Review within the timeframe specified in the written determination.

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

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

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

Proposer can also be disqualified for Paragraph 7.11 (Contractor Responsibility and Debarment).

6.5 Proposed Contractor Selection Review

6.5.1 Debriefing Process

Upon completion of the evaluation, the CEO shall notify the remaining proposers in writing that the CEO is recommending exclusive negotiations with another proposer. Upon receipt of the letter, any non-selected proposer may submit a written request for a Debriefing within the timeframe specified in the letter. A request for a Debriefing may, in the County's sole discretion, be denied if the request is not received within the specified timeframe.

The purpose of the Debriefing is to compare the requesting proposer's response to the solicitation document with the evaluation document. The requesting proposer shall be

debriefed only on its response. Because contract negotiations are not yet complete, responses from other proposers shall not be discussed, although the County may inform the requesting proposer of its relative ranking.

During or following the Debriefing, the CEO will instruct the requesting proposer of the manner and timeframe in which the requesting proposer must notify the County of its intent to request a Proposed Contractor Selection Review (see Paragraph 6.5.2 Proposed Contractor Selection Review), if the requesting proposer is not satisfied with the results of the Debriefing.

6.5.2 Proposed Contractor Selection Review

Any proposer that has timely submitted a notice of its intent to request a Proposed Contractor Selection Review as described in Paragraph 6.5.2 (Proposed Contractor Selection Review) may submit a written request for a Proposed Contractor Selection Review, in the manner and timeframe as shall be specified by the County.

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

1. The person or entity requesting a Proposed Contractor Selection Review is a proposer;
2. The request for a Proposed Contractor Selection Review is submitted timely (i.e. by the date and time specified by the County);
3. The person or entity requesting a Proposed Contractor Selection Review asserts in appropriate detail with factual reasons one or more of the following grounds for review:
 - a. The County materially failed to follow procedures specified in its solicitation document. This includes:
 - i. Failure to correctly apply the standards for reviewing the proposal format requirements.
 - ii. Failure to correctly apply the standards, and/or follow the prescribed methods, for evaluating the proposals as specified in the solicitation document.
 - iii. Use of evaluation criteria that were different from the evaluation criteria disclosed in the solicitation document.
 - b. The County made identifiable mathematical or other errors in evaluating proposals, resulting in the proposer receiving an incorrect score and not being selected as the recommended contractor.
 - c. A member of the Evaluation Committee demonstrated bias in the conduct of the evaluation.
 - d. Another basis for review as provided by state or federal law; and
4. The request for a Proposed Contractor Selection Review sets forth sufficient detail to demonstrate that, but for the County's alleged failure, the proposer would have been the lowest cost, responsive and responsible bid or the highest-scored proposal, as the case may be.

Upon completing the Proposed Contractor Selection Review, the County representative shall issue a written decision to the proposer within a reasonable time following receipt of the request for a Proposed Contractor Selection Review, and always before the date the contract award recommendation is to be heard by the Board. The written decision shall additionally instruct the proposer of the manner and timeframe for requesting a County Independent Review. (See Paragraph 6.6 (County Independent Review Process) below.

6.6 County Independent Review Process

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

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

1. The person or entity requesting a County Independent Review is a proposer;
2. The request for a County Independent Review is submitted timely (i.e., by the date and time specified by the County); and
3. The person or entity requesting review by a County Independent Review has limited the request to items raised in the Proposed Contractor Selection Review and new items that (a) arise from the County's written decision and (b) are one of the appropriate grounds for requesting a Proposed Contractor Selection Review as listed in Paragraph 6.5.2 (Proposed Contractor Selection Review) above.

Upon completion of the County Independent Review, the County's Internal Services Department will forward the report to the CEO, which will provide a copy to the proposer.



7.0 COUNTY STANDARD TERMS AND CONDITIONS

Below are the standard County terms and conditions for the proposers' reference.

7.1 Assignment and Delegation/Mergers or Acquisitions

- 7.1.1 The contractor shall notify the County of any pending acquisitions/mergers of its company unless otherwise legally prohibited from doing so. If the contractor is restricted from legally notifying the County of pending acquisitions/mergers, then it should notify the County of the actual acquisitions/mergers as soon as the law allows and provide to the County the legal framework that restricted it from notifying the County prior to the actual acquisitions/mergers.
- 7.1.2 The contractor shall not assign its rights or delegate its duties under the Contract, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, County consent shall require a written Amendment to the Contract, which is formally approved and executed by the parties. Any payments by the County to any approved delegatee or assignee on any claim under the Contract shall be deductible, at County's sole discretion, against the claims, which the contractor may have against the County.
- 7.1.3 Shareholders, partners, members, or other equity holders of contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is affected in such a way as to give majority control of contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Contract, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of the Contract.
- 7.1.4 The contractor shall not assign its rights or delegate its duties under the Contract, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, County consent shall require a written Amendment to the Contract, which is formally approved and executed by the parties. Any payments by the County to any approved delegatee or assignee on any claim under the Contract shall be deductible, at County's sole discretion, against the claims, which the contractor may have against the County.

7.2 Authorization Warranty

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

7.3 Budget Reductions

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

7.4 Complaints

- 7.4.1 The contractor shall develop, maintain and operate procedures for receiving, investigating and responding to complaints.
- 7.4.2 Complaint Procedures
 - 7.4.2.1 Within ninety (90) business days after the Contract effective date, the contractor shall provide the County with the contractor's policy for receiving, investigating and responding to user complaints.
 - 7.4.2.2 The County will review the contractor's policy and provide the contractor with approval of said plan or with requested changes.
 - 7.4.2.3 If the County requests changes in the contractor's policy, the contractor shall make such changes and resubmit the plan within thirty (30) business days for County approval.
 - 7.4.2.4 If, at any time, the contractor wishes to change the contractor's policy, the contractor shall submit proposed changes to the County for approval before implementation.
 - 7.4.2.5 The contractor shall preliminarily investigate all complaints and notify the County's Project Manager of the status of the investigation within thirty (30) business days of receiving the complaint.
 - 7.4.2.6 When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to

formal plans for specific actions and strict time deadlines.

7.4.2.7 Copies of all written responses shall be sent to the County's Project Manager within seven (7) business days of mailing to the complainant.

7.5 Compliance with Applicable Law

- 7.5.1 In the performance of the Contract, contractor shall comply with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, and all provisions required thereby to be included in the Contract are hereby incorporated herein by reference.
- 7.5.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by contractor, its officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by County in its sole judgment. Any legal defense pursuant to contractor's indemnification obligations under Paragraph 7.5 (Compliance with Applicable Law) shall be conducted by contractor and performed by counsel selected by contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

7.6 Compliance with Civil Rights Laws

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

7.7 Compliance with Civil Rights Laws

- 7.7.1 Jury Service Program: The Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.
- 7.7.2 Written Employee Jury Service Policy
1. Unless the contractor has demonstrated to the County's satisfaction either that the contractor is not a "contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that the contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), the contractor shall have and adhere to a written policy that provides that its Employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the Employee's regular pay the fees received for jury service.
 2. For purposes of this paragraph, "contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County contractor and has received or will receive an aggregate sum of fifty thousand dollars (\$50,000) or more in any twelve (12) month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the contractor. "Full-time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a twelve (12) month period are not considered full-time for purposes of the Jury Service Program. If the contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this paragraph. The provisions of this paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.
 3. If the contractor is not required to comply with the Jury Service Program when the Contract commences, the contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and the contractor shall immediately notify the County if the contractor at any time either comes within the Jury Service Program's definition of "contractor" or if the contractor no longer qualifies for an exception to the Jury Service Program. In either event, the contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that the contractor demonstrate, to the County's satisfaction that the contractor either continues to remain outside of the Jury Service

Program's definition of "contractor" and/or that the contractor continues to qualify for an exception to the Program.

4. Contractor's violation of this paragraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar the contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

7.8 Conflict of Interest

- 7.8.1 No County employee whose position with the County enables such employee to influence the award of the Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the contractor or have any other direct or indirect financial interest in the Contract. No officer or employee of the contractor who may financially benefit from the performance of work hereunder shall in any way participate in the County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.
- 7.8.2 The contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of the Contract. The contractor warrants that it is not now aware of any facts that create a conflict of interest. If the contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this paragraph shall be a material breach of the Contract.

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

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

7.10 Consideration of Hiring GAIN-GROW Participants

- 7.10.1 Should the contractor require additional or replacement personnel after the effective date of the Contract, the contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the contractor will interview qualified candidates. The County will refer GAIN-GROW participants by job category to the contractor. Contractors shall report all job openings with job requirements to: GAINGROW@DPSS.LACOUNTY.GOV and BSERVICES@WDACS.LACOUNTY.GOV and DPSS will refer qualified GAIN/GROW job candidates.
- 7.10.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

7.11 Contractor Responsibility and Debarment

- 7.11.1 Responsible Contractor: A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible contractors.
- 7.11.2 Chapter 2.202 of the County Code: The contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the contractor on this or other contracts which indicates that the contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five (5) years but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts the contractor may have with the County.
- 7.11.3 Non-responsible contractor: The County may debar a contractor if the Board of Supervisors finds, in its discretion, that the contractor has done any of the following: 1) violated a term of a contract with the County or a nonprofit corporation created by the County, 2) committed an act or omission which negatively reflects on the contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, 3) committed an act or offense which indicates a lack of business integrity or business honesty, or 4) made or submitted a false claim against the County or any other public entity.
- 7.11.4 Contractor Hearing Board
 - 7.11.4.1 If there is evidence that the contractor may be subject to debarment, the County will notify the contractor in writing of the evidence which is the basis for the proposed debarment and will advise the contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

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

7.11.5 Subcontractors of Contractor

These terms shall also apply to subcontractors of County contractors.

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

- 7.12.1 The contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The contractor understands that it is the County's policy to encourage all County contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the contractor's place of business. The contractor will also encourage its 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 www.babysafela.org.

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

- 7.13.1 The contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through contracts are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.
- 7.13.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the contractor's duty under the Contract to comply with all applicable provisions of law, the contractor warrants that it is now in compliance and shall during the term of the Contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

7.14 County's Quality Assurance Plan

The County or its agent(s) will monitor the contractor's performance under the Contract on not less than an annual basis. Such monitoring will include assessing the contractor's compliance with all Contract terms and conditions and performance standards. Contractor deficiencies which the County determines are significant or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board of Supervisors and listed in the appropriate contractor performance database. The report to the Board will include improvement/corrective action measures taken by the County and the contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate the Contract or impose other penalties as specified in the Contract.

7.15 Damage to County Facilities, Buildings or Grounds

- 7.15.1 The contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by the contractor or employees or agents of the contractor. Such repairs shall be made immediately after the contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.
- 7.15.2 If the contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by the contractor by cash payment upon demand.

7.16 Employment Eligibility Verification

- 7.16.1 The contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under the Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The contractor shall retain all such documentation for all covered employees for the period prescribed by law.
- 7.16.2 The contractor shall indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under the Contract.

7.17 Facsimile Representations

The County and the contractor hereby agree to regard facsimile representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Amendments to the Contract, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

7.18 Fair Labor Standards

- 7.18.1 The contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall 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 contractor's employees for which the County may be found jointly or solely liable.

7.19 Force Majeure

- 7.19.1 Neither party shall be liable for such party's failure to perform its obligations under and in accordance with the Contract, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of such party (such events are referred to in this paragraph as "force majeure events").
- 7.19.2 Notwithstanding the foregoing, a default by a subcontractor of contractor shall not constitute a force majeure event, unless such default arises out of causes beyond the control of both contractor and such subcontractor, and without any fault or negligence of either of them. In such case, contractor shall not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit contractor to meet the required performance schedule. As used in this subparagraph, the term "subcontractor" and "subcontractors" mean subcontractors at any tier.
- 7.19.3 In the event contractor's failure to perform arises out of a force majeure event, contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

7.20 Governing Law, Jurisdiction, and Venue

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

7.21 Independent Contractor Status

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

7.21.2 The contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to the Contract 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, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the contractor.

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

7.22 Indemnification

7.22.1 The contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to the Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County indemnitees.

7.23 General Provisions for all Insurance Coverage

7.23.1 Without limiting Contractor's indemnification of County, and in the performance of the Contract and until all of its obligations pursuant to the Contract have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Paragraphs 7.23 and 7.24 of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to the Contract.

7.23.2 Evidence of Coverage and Notice to County

7.23.2.1 Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under the Contract.

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

7.23.2.3 Certificates shall identify all Required Insurance coverage types and limits specified herein, reference the Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the contractor identified as the contracting party in the Contract. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand dollars (\$50,000), and list any County required endorsement forms.

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

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

County of Los Angeles

To Be Determined

7.23.2.6 Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to contractor. Contractor also shall promptly notify County of any third party claim or suit filed against contractor or any of its subcontractors which arises from or relates to the Contract, and could result in the filing of a claim or lawsuit against contractor and/or County.

7.23.3 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, employees and volunteers (collectively County and its Agents) shall be provided additional insured status under contractor's General Liability policy with respect to liability arising out of contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the contractor's acts or omissions, whether such liability is attributable to the contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if

they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

7.23.4 Cancellation of or Changes in Insurance

Contractor shall provide County with, or contractor's insurance policies shall contain a provision that County 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 County 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 County, upon which the County may suspend or terminate the Contract.

7.23.5 Failure to Maintain Insurance

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

7.23.6 Insurer Financial Ratings

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

7.23.7 Contractor's Insurance Shall Be Primary

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

7.23.8 Waivers of Subrogation

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

7.23.9 Subcontractor Insurance Coverage Requirements

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

7.23.10 Deductibles and Self-Insured Retentions (SIRs)

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

7.23.11 Claims Made Coverage

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

7.23.12 Application of Excess Liability Coverage

Contractors 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.

7.23.13 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.

7.23.14 Alternative Risk Financing Programs

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

7.23.15 County Review and Approval of Insurance Requirements

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

7.24 Insurance Coverage

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

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

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

7.24.3 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 Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

7.24.4 Unique Insurance Coverage

7.24.4.1 Sexual Misconduct Liability

Insurance covering 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.

7.24.4.2 Professional Liability-Errors and Omissions

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

7.24.4.3 Property Coverage

Contractors given exclusive use of County 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 County and its Agents shall be named as an Additional Insured and Loss Payee on contractor'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.

7.24.4.4 Technology Errors & Omissions Insurance

Insurance for liabilities arising from errors, omissions, or negligent acts in rendering or failing to render computer or information technology services and technology products. Coverage for violation of software copyright should be included. Technology services should at a minimum include (1) systems analysis; (2) systems programming; (3) data processing; (4) systems integration; (5) outsourcing including outsourcing development and design; (6) systems design, consulting, development and modification; (7) training services relating to computer software or hardware; (8) management, repair and maintenance of computer products, networks and systems; (9) marketing, selling, servicing, distributing, installing and maintaining computer hardware or software; (10) data entry, modification, verification, maintenance, storage, retrieval or preparation of data output, and any other services provided by the vendor with limits of not less than \$10 million.

7.24.4.5 Privacy/Network Security (Cyber) Liability

Insurance coverage providing protection against liability for (1) privacy breaches [liability arising from the loss or disclosure of confidential information no matter how it occurs]; (2) system breach; (3) denial or loss of service; (4) introduction, implantation, or spread of malicious software code; (5) unauthorized access to or use of computer systems with limits of not less than \$10 million. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

7.25 Liquidated Damages

- 7.25.1 If, in the judgment of the Chief Executive Officer, or his/her designee, the contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Chief Executive Officer, or his/her designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from payments to the contractor from the County, will be forwarded to the contractor by the Chief Executive Officer, or his/her designee, in a written notice describing the reasons for said action.
- 7.25.2 If the Chief Executive Officer, or his/her designee, determines that there are deficiencies in the performance of the Contract that the Chief Executive Officer, or his/her designee, deems are correctable by the contractor over a certain time span, the Chief Executive Officer, or his/her designee, will provide a written notice to the contractor to correct the deficiency within specified time frames. Should the contractor fail to correct deficiencies within said time frame, the Chief Executive Officer, or his/her designee, may: (a) Deduct from the contractor's payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or (b) Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is one hundred dollars (\$100) per day per infraction, and that the contractor shall be liable to the County for liquidated damages in said amount. Said amount shall be deducted from the County's payment to the contractor; and/or (c) Upon giving five (5) days notice to the contractor for failure to correct the deficiencies, the County may correct any and all deficiencies and the total costs incurred by the County for completion of the work by an alternate source, whether it be County forces or separate private contractor, will be deducted and forfeited from the payment to the contractor from the County, as determined by the County.
- 7.25.3 The action noted in Paragraph 7.25.2 shall not be construed as a penalty, but as adjustment of payment to the contractor to recover the County cost due to the failure of the contractor to complete or comply with the provisions of the Contract.
- 7.25.4 This Paragraph shall not, in any manner, restrict or limit the County's right to damages for any breach of the Contract provided by law or as specified in Paragraph 7.25.2, and shall not, in any manner, restrict or limit the County's right to terminate the Contract as agreed to herein.

7.26 Most Favored Public Entity

- 7.26.1 If the contractor's prices decline, or should the contractor at any time during the term of the Contract provide the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in the Contract, then such lower prices shall be immediately extended to the County.

7.27 Nondiscrimination and Affirmative Action

- 7.27.1 The contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti discrimination laws and regulations.
- 7.27.2 The contractor shall certify to, and comply with, the provisions of the Contractor's EEO Certification.
- 7.27.3 The contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 7.27.4 The contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.
- 7.27.5 The contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the Contract or under any project, program, or activity supported by the Contract.
- 7.27.6 The contractor shall allow County representatives access to the contractor's employment records during regular business hours to verify compliance with the provisions of this Paragraph 7.27 (Nondiscrimination and Affirmative Action) when so requested by the County.
- 7.27.7 If the County finds that any provisions of this Paragraph 7.27 (Nondiscrimination and Affirmative Action) have been

violated, such violation shall constitute a material breach of the Contract upon which the County may terminate or suspend the Contract. While the County reserves the right to determine independently that the anti-discrimination provisions of the Contract have been violated, in addition, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that the contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the County that the contractor has violated the anti-discrimination provisions of the Contract.

7.27.8 The parties agree that in the event the contractor violates any of the anti discrimination provisions of the Contract, the County shall, at its sole option, be entitled to the sum of five hundred dollars (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending the Contract.

7.28 Non Exclusivity

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

7.29 Notice of Delays

7.29.1 Except as otherwise provided under the Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of the Contract, that party shall, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

7.30 Notice of Disputes

7.30.1 The contractor shall bring to the attention of the County's Project Manager and/or County's Project Director any dispute between the County and the contractor regarding the performance of services as stated in the Contract. If the County's Project Manager or County's Project Director is not able to resolve the dispute, the Chief Executive Officer, or designee shall resolve it.

7.31 Notice to Employees Regarding the Federal Earned Income Credit

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

7.32 Notice to Employees Regarding the Safely Surrendered Baby Law

7.32.1 The contractor shall notify and provide to its employees, and shall 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 www.babysafela.org.

7.33 Notices

7.33.1 All notices or demands required or permitted to be given or made under the Contract shall be in writing and shall be hand delivered with signed receipt or mailed by first class registered or certified mail, postage prepaid, addressed to the parties as identified in the County's Administration and Contractor's Administration. Addresses may be changed by either party giving ten (10) days prior written notice thereof to the other party. The Chief Executive Officer, or his/her designee shall have the authority to issue all notices or demands required or permitted by the County under the Contract.

7.34 Prohibition Against Inducement or Persuasion

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

7.35 Public Records Act

7.35.1 Any documents submitted by the contractor; all information obtained in connection with the County's right to audit and inspect the contractor's documents, books, and accounting records pursuant to Paragraph 7.37 (Record Retention and Inspection-Audit Settlement) of the Contract; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process for the Contract, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

7.35.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a proposal marked "trade secret", "confidential", or "proprietary", the contractor agrees to defend and indemnify the County from all costs and expenses, including

reasonable attorney's fees, in action or liability arising under the Public Records Act.

7.36 Publicity

- 7.36.1 The contractor shall not disclose any details in connection with the Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit the contractor from publishing its role under the Contract within the following conditions:
 - 7.36.1.1 The contractor shall develop all publicity material in a professional manner; and
 - 7.36.1.2 During the term of the Contract, the contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the County's Project Director. The County shall not unreasonably withhold written consent.
- 7.36.2 The contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded the Contract with the County of Los Angeles, provided that the requirements of this Paragraph 7.36 (Publicity) shall apply.

7.37 Record Retention and Inspection-Audit Settlement

- 7.37.1 The contractor shall maintain accurate and complete financial records of its activities and operations relating to the Contract in accordance with generally accepted accounting principles. The contractor shall also maintain accurate and complete employment and other records relating to its performance of the Contract. The contractor agrees that the County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to the Contract. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, shall be kept and maintained by the contractor and shall be made available to the County during the term of the Contract and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the County's option, the contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.
- 7.37.2 In the event that an audit of the contractor is conducted specifically regarding the Contract by any Federal or State auditor, or by any auditor or accountant employed by the contractor or otherwise, then the contractor shall file a copy of such audit report with the County's Auditor Controller within thirty (30) days of the contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under the Contract. Subject to applicable law, the County shall make a reasonable effort to maintain the confidentiality of such audit report(s). 7.37.3. Failure on the part of the contractor to comply with any of the provisions of this subparagraph 7.37 shall constitute a material breach of the Contract upon which the County may terminate or suspend the Contract.
- 7.37.3 If, at any time during the term of the Contract or within five (5) years after the expiration or termination of the Contract, representatives of the County conduct an audit of the contractor regarding the work performed under the Contract, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the contractor, then the difference shall be either: a) repaid by the contractor to the County by cash payment upon demand or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to the contractor from the County, whether under the Contract or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the contractor, then the difference shall be paid to the contractor by the County by cash payment, provided that in no event shall the County's maximum obligation for the Contract exceed the funds appropriated by the County for the purpose of the Contract.

7.38 Recycled Bond Paper

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

7.39 Subcontracting

- 7.39.1 The requirements of the Contract may not be subcontracted by the contractor without the advance approval of the County. Any attempt by the contractor to subcontract without the prior consent of the County may be deemed a material breach of the Contract.
- 7.39.2 If the contractor desires to subcontract, the contractor shall provide the following information promptly at the County's request:
 - 7.39.2.1 A description of the work to be performed by the subcontractor;
 - 7.39.2.2 A draft copy of the proposed subcontract; and

- 7.39.2.3 Other pertinent information and/or certifications requested by the County.
- 7.39.3 The contractor shall indemnify, defend, 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 contractor employees.
- 7.39.4 The contractor shall remain fully responsible for all performances required of it under the Contract, including those that the contractor has determined to subcontract, notwithstanding the County's approval of the contractor's proposed subcontract.
- 7.39.5 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 the Contract. The contractor is responsible to notify its subcontractors of this County right.
- 7.39.6 The County's Project Director is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees. After approval of the subcontract by the County, contractor shall forward a fully executed subcontract to the County for their files.
- 7.39.7 The contractor 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.
- 7.39.8 The contractor shall obtain certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. Before any subcontractor employee may perform any work hereunder, contractor shall ensure delivery of all such documents to:

County of Los Angeles

To Be Determined

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

- 7.40.1 Failure of the contractor to maintain compliance with the requirements set forth in Paragraph 7.13 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) shall constitute default under the Contract. Without limiting the rights and remedies available to the County under any other provision of the Contract, failure of the contractor to cure such default within ninety (90) calendar days of written notice shall be grounds upon which the County may terminate the Contract pursuant to Paragraph 7.42 (Termination for Default) and pursue debarment of the contractor, pursuant to County Code Chapter 2.202.

7.41 Termination for Convenience

- 7.41.1 The Contract 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 work hereunder shall be effected by notice of termination to the contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) days after the notice is sent.
- 7.41.2 After receipt of a notice of termination and except as otherwise directed by the County, the contractor shall:
 - 7.41.2.1 Stop work under the Contract on the date and to the extent specified in such notice, and
 - 7.41.2.2 Complete performance of such part of the work as shall not have been terminated by such notice.
- 7.41.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the contractor under the Contract shall be maintained by the contractor in accordance with Paragraph 7.37 (Record Retention and Inspection-Audit Settlement).

7.42 Termination for Default

- 7.42.1 The County may, by written notice to the contractor, terminate the whole or any part of the Contract, if, in the judgment of County's Project Director:
 - 7.42.1.1 Contractor has materially breached the Contract; or
 - 7.42.1.2 Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under the Contract; or
 - 7.42.1.3 Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under the Contract, or of any obligations of the Contract and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.
- 7.42.2 In the event that the County terminates the Contract in whole or in part as provided in Paragraph 7.42.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The contractor shall be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The contractor shall continue the performance of the

Contract to the extent not terminated under the provisions of this paragraph.

- 7.42.3 Except with respect to defaults of any subcontractor, the contractor shall not be liable for any such excess costs of the type identified in Paragraph 7.42.2 if its failure to perform the Contract arises out of causes beyond the control and without the fault or negligence of the contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the contractor and subcontractor, and without the fault or negligence of either of them, the contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the contractor to meet the required performance schedule. As used in this paragraph, the term "subcontractor(s)" means subcontractor(s) at any tier.
- 7.42.4 If, after the County has given notice of termination under the provisions of Paragraph 7.42 (Termination for Default) it is determined by the County that the contractor was not in default under the provisions of Paragraph 7.42 (Termination for Default) or that the default was excusable under the provisions of subparagraph 7.42.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 7.41 (Termination for Convenience).
- 7.42.5 The rights and remedies of the County provided in this Paragraph 7.42 (Termination for Default) shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.

7.43 Termination for Improper Consideration

- 7.43.1 The County may, by written notice to the contractor, immediately terminate the right of the contractor to proceed under the Contract if it is found that consideration, in any form, was offered or given by the contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing the Contract or securing favorable treatment with respect to the award, amendment, or extension of the Contract or the making of any determinations with respect to the contractor's performance pursuant to the Contract. In the event of such termination, the County shall be entitled to pursue the same remedies against the contractor as it could pursue in the event of default by the contractor.
- 7.43.2 The contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.
- 7.43.3 Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

7.44 Termination for Insolvency

- 7.44.1 The County may terminate the Contract forthwith in the event of the occurrence of any of the following:
- 7.44.1.1 Insolvency of the contractor. The contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the contractor is insolvent within the meaning of the Federal Bankruptcy Code;
 - 7.44.1.2 The filing of a voluntary or involuntary petition regarding the contractor under the Federal Bankruptcy Code;
 - 7.44.1.3 The appointment of a Receiver or Trustee for the contractor; or
 - 7.44.1.4 The execution by the contractor of a general assignment for the benefit of creditors.
- 7.44.2 The rights and remedies of the County provided in this Paragraph 7.44 (Termination for Insolvency) shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.

7.45 Termination for Non-Adherence of County Lobbyist Ordinance

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

7.46 Termination for Non-Appropriation of Funds

- 7.46.1 Notwithstanding any other provision of the Contract, the County shall not be obligated for the contractor's performance hereunder or by any provision of the Contract during any of the County's future fiscal years unless and until the County's Board of Supervisors appropriates funds for the Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for the Contract, then the Contract shall terminate as of June 30

of the last fiscal year for which funds were appropriated. The County shall notify the contractor in writing of any such non-allocation of funds at the earliest possible date.

7.47 Validity

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

7.48 Waiver

7.48.1 No waiver by the County of any breach of any provision of the Contract shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of the Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this paragraph 7.48 shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.

7.49 Warranty Against Contingent Fees

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

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

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

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

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

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

7.51.1 Failure of contractor to maintain compliance with the requirements set forth in Paragraph 7.50 (Warranty of Compliance with County's Defaulted Property Tax Reduction Program) shall constitute default under the contract. Without limiting the rights and remedies available to County under any other provision of the contract, failure of contractor to cure such default within ten (10) days of notice shall be grounds upon which County may terminate the contract and/or pursue debarment of contractor, pursuant to County Code Chapter 2.206.

7.52 Time Off for Voting

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

7.53 Compliance with County's Zero Tolerance Policy on Human Trafficking

Contractor acknowledges that the County has established a Zero Tolerance Policy on Human Trafficking prohibiting contractors from engaging in human trafficking.

If a Contractor or member of Contractor's staff is convicted of a human trafficking offense, the County shall require that the Contractor or member of Contractor's staff be removed immediately from performing services under the Contract. County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

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

7.54 Compliance with Fair Chance Employment Practices

Contractor shall comply with fair chance employment hiring practices set forth in California Government Code Section 12952, Employment Discrimination: Conviction History. Contractor's violation of this paragraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract.

7.55 Compliance with the County Policy of Equity

The contractor acknowledges that the County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity (CPOE) (<https://ceop.lacounty.gov/>). The contractor

further acknowledges that the County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. The contractor, its employees and subcontractors acknowledge and certify receipt and understanding of the CPOE. Failure of the contractor, its employees or its subcontractors to uphold the County's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject the contractor to termination of contractual agreements as well as civil liability.

8.0 COUNTY'S RIGHTS AND RESPONSIBILITIES

8.1 Representations Made Prior to Contract Execution

- 8.1.1 The County is not responsible for representations made by any of its officers or employees prior to the execution of the contract unless such understanding or representation is included in the contract.

8.2 Final Contract Award by the Board of Supervisors

- 8.2.1 Notwithstanding a recommendation of a Department, agency, individual, or other, the Board of Supervisors retains the right to exercise its judgment concerning the selection of a proposal and the terms of any resultant agreement, and to determine which proposal best serves the interests of the County. The Board is the ultimate decision making body and makes the final determinations necessary to arrive at a decision to award, or not award, a contract.

8.3 County's Option to Reject Proposals

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

8.4 County's Right to Amend Request for Proposals

- 8.4.1 The County has the right to amend the RFP by written addendum. The County is responsible only for that which is expressly stated in the solicitation document and any authorized written addenda thereto. Such addendum shall be made available to each person or organization which County records indicate has received this RFP. Should such addendum require additional information not previously requested, failure to address the requirements of such addendum may result in the proposal being found non-responsive and not being considered, as determined in the sole discretion of the County. The County is not responsible for and shall not be bound by any representations otherwise made by any individual acting or purporting to act on its behalf.

8.5 Background and Security Investigations

- 8.5.1 Background and security investigations of contractor's staff may be required at the discretion of the County as a condition of beginning and continuing work under any resulting contract. The cost of background checks is the responsibility of the contractor.

8.6 County's Quality Assurance Plan

- 8.6.1 After contract award, the County or its agent will monitor the contractor's performance under the contract on a periodic basis. Such monitoring will include assessing contractor's compliance with all terms and conditions in the contract and performance standards identified in the Statement of Work. Contractor's deficiencies which the County determines are significant or continuing and that may jeopardize performance of the contract will be reported to the County's Board of Supervisors. The report will include improvement/corrective action measures taken by the County and contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate the contract in whole or in part, or impose other penalties as specified in the contract.