

NON-EXCLUSIVE LICENSE AGREEMENT BETWEEN
THE CITY OF LOS ANGELES AND

COMPANY

COVERING COURTESY VEHICLE TRANSPORTATION
SERVICES TO AND FROM LOS ANGELES INTERNATIONAL AIRPORT

THIS NON-EXCLUSIVE LICENSE AGREEMENT (“**License**”), made and entered into this ____ day of _____, 20____, by and between the CITY OF LOS ANGELES, a municipal corporation, acting by order of and through its Board of Airport Commissioners (“**Board**”), also known as Los Angeles World Airports or LAWA (“**City**”) and COMPANY (“**Licensee**”),

RECITALS

WHEREAS, City owns and operates Los Angeles International Airport (“**Airport**”) in the City of Los Angeles, State of California;

WHEREAS, Licensee is the operator of a courtesy vehicle transportation service operated by or on behalf of a hotel, motel, rental car agency, travel agency, private parking lot company, or similar business that transports passengers or customers to and from Airport;

WHEREAS, Licensee desires to operate the previously described courtesy transportation service at Airport and to enter into this License with City in order to conduct such operations; and

WHEREAS, it is in the best interests of City and the traveling public to make such services available.

NOW, THEREFORE, in consideration of the use of the premises and of the covenants and conditions hereinafter contained to be kept and performed by the parties hereto, IT IS MUTUALLY AGREED AS FOLLOWS:

LICENSE

ARTICLE 1. SPECIFIC TERMS AND PROVISIONS

Section 1. Term of License. The term of this License shall commence on _____, 20____ and terminate five (5) years from the date of commencement of this License (the “**Term**”), subject, however, to earlier termination, with or without cause, by either party upon thirty (30) days prior written notice to the other party and further subject to prior termination or suspension as provided herein.

Section 2. Fees.

2.1 Circuit Fees. Except as hereinafter provided, Licensee shall pay to City the following circuit fees (“**Circuit Fees**”) for the license rights granted herein for services rendered at Airport:

2.1.1 Licensee shall pay the following Circuit Fees according to its category as follows:

2.1.1.1 Class 1 Vehicles: Vehicles that are Class 1 vehicles, those seating twenty-five (25) passengers or less, shall be subject to the current per Circuit (defined below) Fee for Class 1 Vehicles at such time and in such manner as provided by resolution of the Board.

2.1.1.2 Class 2 Vehicles: Vehicles that are Class 2 vehicles, those seating more than twenty-five (25) passengers, shall be subject to the current per Circuit Fee for Class 2 Vehicles at such time and in such manner as provided by resolution of the Board.

2.1.2 “Circuit” Defined. “**Circuit**” shall, subject to exceptions hereinafter stated, be defined as one complete or partial loop around the central terminal area of Airport by a vehicle of Licensee, with or without passengers.

2.1.3 City reserves the right to adjust the Circuit Fees up to two times per year.

2.2 Other Fees. In addition to the Circuit Fees set forth above, Licensee shall pay the following fees:

2.2.1 Administrative Fee. Licensee shall pay the current annual administrative fee (“**Administrative Fee**”) at such time and in such manner as provided by resolution of the Board. This Administrative Fee is due whether or not any business activity occurs.

2.2.2 Faithful Performance Guarantee.

2.2.2.1 Licensee shall furnish to City and maintain throughout the term of this License a security deposit also known as a Faithful Performance Guarantee, Performance Guarantee or Guarantee to secure the faithful performance by Licensee of all the terms, provisions, and covenants contained herein including, but not limited to, the payment of fees, damages, or other charges incurred pursuant to this License. Such Guarantee shall be separate from any other Guarantee(s) required by City. The initial amount of said Guarantee shall be in the amount of Seven Hundred Fifty Dollars (\$750) or two (2) times the highest monthly payment prescribed herein, whichever is greater, as determined by the Executive Director. The Faithful Performance Guarantee requirements for this License may be modified at anytime by the Board, with thirty (30) days prior written notice.

2.2.2.2 If Licensee has previously provided such Guarantee to City and if, for any reason, Licensee's monthly obligation to City increased in excess of ten percent (10%), and if two times the monthly obligation is greater than \$750, then, in the Executive Director's sole discretion, the amount of Licensee's Guarantee may, within thirty (30) days after receiving written notice from City, correspondingly be increased to a sum two (2) times the new amount.

2.2.2.3 Performance Guarantees of Five Thousand Dollars (\$5,000) or less shall be in the form of a Cashier's Check, Company Check, Money Order, Certificate of Deposit or Irrevocable Letter of Credit. Performance Guarantees in excess of Five Thousand Dollars (\$5,000) shall be in the form of an Irrevocable Letter of Credit. Letters of Credit shall be self-renewing from year-to-year and subject to termination upon sixty (60) days written notice. All Performance Guarantees must be approved as to form by the City Attorney.

2.2.2.4 Licensee shall furnish such Guarantee in duplicate prior to License commencement or within thirty (30) days following notice of adjustment of the Performance Guarantee. If, for any reason, said Guarantee is not provided by Licensee and/or is not thereafter maintained in sufficient amount throughout the term hereof, City, may terminate this License at any time. Upon the expiration or earlier termination of this License, and if Licensee has satisfied all of its obligations to City hereunder, City shall relinquish to Licensee said Guarantee following such expiration or earlier termination and satisfaction of all obligations to City. The Guarantee shall be submitted to:

Revenue Accounting
Department of Airports
P.O. Box 54078
Los Angeles, CA 90054-0078

2.3 Payments. All Circuit Fees and other fees payable hereunder shall be paid to the City of Los Angeles, Department of Airports, 1 World Way, P.O. Box 92216, Los Angeles, California 90009-2216, unless and until City designates some other party or place to receive Circuit Fees and other fees. All payments shall be made in legal tender of the United States.

Section 3. License Rights.

3.1 City gives Licensee, during the Term and on a non-exclusive basis, the right to transport passengers and baggage by approved motor vehicles into and out of Airport.

3.2 This License does not include the right or privilege to operate a package express service at Airport by either picking up or delivering packages at terminals, to operate as a charter party carrier as defined by the Public Utilities Commission of the State of California or to operate in the manner of a charter party carrier, or to operate any vehicle at Airport with a driver or agent carrying a firearm on the person or within said vehicle.

3.3 Use of Airport. Licensee shall use Airport only in connection with its transport business of operating courtesy vehicle services between Airport and its facilities.

3.4 Right of Ingress and Egress. City hereby grants right of ingress to and egress from Airport to Licensee, its employees, passengers, guests, invitees, suppliers of materials and furnishers of service, without charge, subject to the provisions herein and City's operating rules and regulations. This License does not give the right of ingress to and egress from Airport's airfield operations area.

3.5 Licensee shall not use sound amplifying or public address equipment at Airport unless such use and equipment are approved in writing by the executive director of Los Angeles World Airports (“LAWA”) or his or her authorized designee (the “**Executive Director**”).

Section 4. Authorized Vehicle Requirements.

4.1 Licensee shall report to the Executive Director, on forms provided for that purpose, the manufacturer, model year, vehicle type, vehicle identification number (or “VIN”), license plate number, company identification number, passenger capacity and proof of commercial registration for each of Licensee's vehicles used in its operation at Airport.

4.2 Vehicle Requirements. All of Licensee's vehicles shall:

4.2.1 possess identical color schemes and markings, so as to be readily identifiable as operated on behalf of Licensee;

4.2.2 display the name of Licensee, or its fictitious business name (or “D.B.A.”), on each side of the vehicle, in a type style and size so as to be readily identifiable; and

4.2.3 display Licensee's company fleet identification number on the rear and each side of the vehicle.

4.3 Licensee shall file with City a description (either photographic or otherwise) adequate to identify the color scheme and markings common to Licensee's vehicles and distinguish them visually from vehicles used by another operator.

4.4 Decals and AVI Transponders. Upon receipt of the requisite information and performance of all other conditions precedent contained in this License, the Executive Director may issue identification stickers or decals (“**Permit**” or “**Permits**”) and automatic vehicle identification transponders (“**AVI Transponder**” or “**AVI Transponders**”) which shall be permanently affixed as instructed to each authorized vehicle. The Permit and AVI Transponder shall not be transferable or assignable, but both shall be returned to City if a vehicle is removed from service. City may require a security deposit for AVI Transponders. It shall be illegal to operate and/or board passengers on the lower level of Airport without a valid and current Permit and a properly functioning AVI Transponder affixed to the authorized vehicle.

4.5 Airport Rules and Regulations Governing Authorized Vehicles.

4.5.1 During the term of this License, Licensee agrees to comply with the Rules and Regulations of the City of Los Angeles, Department of Airports Governing the Permit Program for the Operation of Commercial Vehicles Transporting Passengers at Los Angeles International Airport, as may be amended from time to time (the “**Airport Rules and Regulations**”) which is incorporated herein by this reference. The Airport Rules and Regulations govern Licensee’s operations at Airport. Licensee ensures that Licensee’s officers, employees, agents, drivers and vehicles also comply with the Airport Rules and Regulations. To the extent the Airport Rules and Regulations conflict with Section 4.5.2, the Airport Rules and Regulations shall govern.

4.5.2 Violations. Violations by Licensee, its officers, employees, agents, drivers or vehicles of Airport Rules and Regulations are subject to the imposition by City of any or all of the following: oral or written warnings, suspensions of Licensee’s right to operate on Airport property, fines, and/or termination of this License and all of Licensee’s rights to operate to and from Airport. Procedural matters with respect to any such violation is outlined in the Airport Rules and Regulations.

Section 5. Records.

5.1 Monthly Reports. Licensee, on forms designated or approved by City, shall submit monthly reports to City's Landside Operations Division on or before the tenth (10th) day of each month of the Term to account for all Circuits operated and passengers carried both into and out of Airport during the prior calendar month. Licensee understands that said report forms may from time to time be modified by City and hereby agrees to use the latest report forms made available for reporting its Circuits and passengers.

5.2 Records Retention, Right to Inspect.

5.2.1 Licensee shall keep and maintain a daily record of all trips and the passenger counts from each trip both to and from Airport with supporting verifiable documents showing the driver's name, actual arrival and departure trip times and registration number of vehicle.

5.3.2 City, or its duly authorized representatives, shall, at all reasonable times, have the right of access to and the right to examine and audit all records of Licensee pertaining to their operations under this License (the “**Audit**”). Licensee hereby authorizes its officers, agents, and employees to disclose to City any and all information pertaining to its operations under the license rights herein granted, including all books, ledgers, journals and other records and things done or performed by Licensee in connection therewith during the Term. Such books and records must be maintained and kept in a location within Los Angeles, Orange, Ventura or San Bernardino County by Licensee. Licensee may elect to maintain the required records at a location outside said

counties; however, in doing so, Licensee accepts responsibility for reimbursing City for all travel and incidental expenses incurred in connection with each Audit.

5.3.3 It is agreed that examinations of the books, ledgers, journals and accounts of Licensee will be conducted in accordance with generally accepted auditing standards applicable in such circumstances and that such, said examinations do not require a detailed audit of all transactions. Testing and sampling methods may be used by City to verify reports submitted by Licensee. Deficiencies ascertained by the use of such testing and sampling methods, by applying the percentage of error obtained from such testing and sampling to the entire period of reporting under examination will be binding upon Licensee and to that end shall be admissible in court to prove any amounts due City from Licensee. In the event there is any net deficiency in the amount of two percent (2%) or greater of the compensation payable to City hereunder, Licensee agrees to pay City for the cost of the Audit as well as any other deficiencies, payments and liquidated damages due under this or any other provision of this License.

Section 6. Notice.

6.1 Notice to City Written notices to City hereunder, shall be sent to the Executive Director of LAWA with a copy to the City Attorney of the City of Los Angeles, must be given by registered or certified mail, postage prepaid, and addressed to:

**Executive Director of the
Department of Airports
c/o LAX Airport Permit Services
1 World Way
Post Office Box 92216
Los Angeles, CA 90009-2216**

**City Attorney
Department of Airports
1 World Way
Post Office Box 92216
Los Angeles, CA 90009-2216**

or to such other address as City may designate by written notice to Operator.

6.2 Notice to Licensee Written notices to Operator hereunder shall be given by registered or certified mail, postage prepaid, and addressed to:

**COMPANY
Attn: NAME OF PARTY
STREET ADDRESS HERE
CITY, STATE, ZIP CODE HERE**

or to such other address as Operator may designate by written notice to City.

6.3 The execution of any such notice by the Executive Director shall be as effective as to Licensee as if it were executed by the Board, or by resolution or order of said Board, and Operator shall not question the authority of Executive Director to execute any such notice.

6.4 All such notices, except as otherwise provided herein, may either be delivered personally to Executive Director with a copy to the Office of the City Attorney, Airport Division,

in the one case, or to Licensee in the other case, or may be deposited in the United States mail, properly addressed as aforesaid with postage fully prepaid by certified or registered mail, return receipt requested, and shall be effective five (5) days after deposit in the mail. Such notice may also be delivered by a nationally recognized overnight commercial courier service that requires the recipient's signature for delivery, and shall be effective one (1) business day after delivery by such courier.

ARTICLE 2. STANDARD TERMS AND PROVISIONS

Section 1.0 Limitations on Use of Airport.

1.1 Licensee shall not use the Airport, nor any portion thereof, for any purpose other than that set forth above in Article 1, without first having had and obtained the written consent of the Executive Director, which consent may be withheld in the Executive Director's sole discretion, and which written consent is approved as to form by the City Attorney.

1.2 There is hereby reserved to City, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Airport. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from, or operating on Airport. Licensee agrees not to make any claim or institute legal action against City under any theory of recovery for any interference with Licensee's use and enjoyment of the Airport which may result from noise emanating from the operation of aircraft to, from, or upon Airport except for claims or actions brought by third parties against Licensee arising from City's operation of Airport [USE GUIDE, paragraph 5]¹.

1.3 Licensee, by accepting this License, agrees for itself and its successors and assigns that it will not make use of the Airport in any manner which might interfere with the landing and taking off of aircraft from Airport or otherwise constitute a hazard to such operations. In the event the aforesaid covenant is breached, City reserves the right to take all action it deems necessary to cause the abatement of such interference at the expense of Licensee [USE GUIDE, paragraph 8].

1.4 Licensee shall conduct its, and cause its sublicensees to conduct their, operations on the Airport in such manner as to reduce as much as is reasonably practicable, considering the nature and extent of said operations, any and all activities which interfere unreasonably with the use of other premises at Airport, including, but not limited to, the emanation from the Airport of noise, vibration, movements of air, fumes, and odors.

1.5 Licensee is prohibited from installing or using any wireless workstations, access control equipment, wireless internet servers, application or system software such as transceivers,

1.2.¹ The paragraph references are to mandatory requirements contained in a document entitled, "LEASE AND USE AGREEMENT GUIDE", dated June 6, 1984, revised May 2001, published by the Federal Aviation Administration.

modems, or other interface units that access frequencies from 2.0 Gigahertz to 6.0 Gigahertz, inclusive, without first obtaining approval from the Executive Director.

1.6 Licensee has no rights under this License to install or use any antennae or telecommunications equipment on the roof or exterior of any building or structure on the Airport, unless such installation or use is directly related to the conduct of Licensee's business and in full compliance with City's permit process and telecommunications policies as they may be modified from time to time at the sole discretion of the Executive Director. Licensee may not license or sublicense to others the right to install or use antennae or other telecommunications equipment on the Airport.

Section 2.0 Late Charge and Interest for Delinquent Payment.

2.1 Licensee hereby acknowledges that late payment by Licensee of compensation, fees and charges provided herein will cause City to incur costs not contemplated by this License, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges. Accordingly, if any amount due City is not received by City within 10 days after such amount shall be due, then, without any requirement for notice to Licensee, Licensee shall immediately pay to City a one-time late charge equal to 10% of such overdue amount or \$200, whichever is greater. The parties agree that such late charge represents a fair and reasonable estimate of the costs the City will incur by reason of such late payment. Acceptance of such late charge by City shall in no event constitute a waiver of Licensee's default or breach with respect to such overdue amount, nor prevent the exercise of any other rights and remedies granted herein.

2.2 Any monetary payment due City hereunder shall bear interest from the date when due. The interest rate shall be 10% per annum, compounded monthly, but shall not exceed the maximum rate allowed by law. The interest that applies shall be in addition to the late charge.

Section 3.0 Default and Right of Termination.

3.1 In the event Licensee fails to abide by the terms, covenants and conditions of this License, including any default in the payment by Licensee of the fees provided for herein, City may give Licensee written notice to correct the defect or default and if the same is not corrected within ten (10) days after City's mailing such notification, City may terminate this License forthwith.

3.2 In case of the bankruptcy of Licensee, or the appointment of a receiver for Licensee, or if a receiver is appointed to take possession of Licensee's business operations as a result of any act or omission of Licensee, or if Licensee makes an assignment of this License for the benefit of creditors, City, at its election, may, without notice, terminate this License.

3.3 Cross Default. A material default or breach of the terms of any other lease, license, permit, or contract held by Licensee with City shall constitute a material breach of the terms of this License and shall give City the right to terminate this License for cause in accordance with the procedures set forth herein.

Section 4.0 Performance Guarantee. (Intentionally Omitted).

Section 5.0 Reports. (Intentionally Omitted).

Section 6.0 Audits. (Intentionally Omitted).

Section 7.0 Signs. (Intentionally Omitted).

Section 8.0 Insurance.

8.1 Licensee shall procure at its expense, and keep in effect at all times during the term of this License, the types and amounts of insurance specified on Insurance, Exhibit A, attached hereto and incorporated by reference herein. The specified insurance shall also, either by provisions in the policies, by endorsement form attached to such policies, include and insure City, its Department of Airports, also known as Los Angeles World Airports ("LAWA") its Board and all of City's officers, employees, and agents, their successors and assigns, as additional insureds, against the areas of risk described on Insurance, Exhibit A, hereof with respect to Licensee's acts or omissions in its operations, use, and occupancy of the Airport or other related functions performed by or on behalf of Licensee in, on or about Airport.

8.2 Each specified insurance policy (other than workers' compensation and employers' liability and fire and extended coverages) shall contain a severability of interest (cross liability) clause which states, "It is agreed that the insurance afforded by this policy shall apply separately to each insured against whom claim is made or suit is brought except with respect to the limits of the company's liability," and a contractual endorsement which shall state, "Such insurance as is afforded by this policy shall also apply to liability assumed by the insured under this License with the City of Los Angeles."

8.3 All such insurance shall be primary and noncontributing with any other insurance held by LAWA where liability arises out of or results from the acts or omissions of Licensee, its agents, employees, officers, assigns, or any person or entity acting for or on behalf of Licensee. Such policies may provide for reasonable deductibles and/or retentions acceptable to the Executive Director based upon the nature of Licensee's operations and the type of insurance involved.

8.4 City shall have no liability for any premiums charged for such coverage(s). The inclusion of City, LAWA, Board and all of City's officers, employees, and agents, their successors and assigns, as insureds is not intended to, and shall not, make them, or any of them, a partner or joint venturer with Licensee in Licensee's operations at Airport. In the event Licensee fails to furnish City evidence of insurance and maintain the insurance as required, City, upon ten

(10) days prior written notice to comply, may (but shall not be required to) procure such insurance at the cost and expense of Licensee, and Licensee agrees to promptly reimburse City for the cost thereof plus fifteen percent (15%) for administrative overhead. Payment shall be made within thirty (30) days of invoice date.

8.5 At least ten (10) days prior to the expiration date of the above policies, documentation showing that the insurance coverage has been renewed or extended shall be filed with City. If such coverage is canceled or reduced, Licensee shall, within fifteen (15) days of such cancellation of coverage, file with City evidence that the required insurance has been reinstated or provided through another insurance company or companies.

8.6 Licensee shall provide proof of all specified insurance and related requirements to City by production of the actual insurance policy(ies), by use of endorsement form(s), by broker's letter acceptable to the Executive Director in both form and content in the case of foreign insurance syndicates, or by other written evidence of insurance acceptable to the Executive Director. The documents evidencing all specified coverages shall be filed with City in duplicate and shall be procured and approved in strict accordance with the provisions in Sections 11.47 through 11.56 of City's Administrative Code prior to Licensee's use of Airport. The documents shall contain the applicable policy number, the inclusive dates of policy coverages, and the insurance carrier's name, shall bear an original signature of an authorized representative of said carrier, and shall provide that such insurance shall not be subject to cancellation, reduction in coverage, or nonrenewal except after written notice by certified mail, return receipt requested, to the City Attorney of the City of Los Angeles at least thirty (30) days prior to the effective date thereof. City reserves the right to have submitted to it, upon request, all pertinent information about the agent and carrier providing such insurance.

8.7 City and Licensee agree that the insurance policy limits specified herein shall be reviewed for adequacy annually throughout the term of this License by the Executive Director who may, thereafter, require Licensee, on thirty (30) days prior, written notice, to adjust the amounts of insurance coverage to whatever reasonable amount said Executive Director deems to be adequate.

8.8 Submission of insurance from a non-California admitted carrier is subject to the provisions of California Insurance Code Sections 1760 through 1780, and any other regulations and/or directives from the State Department of Insurance or other regulatory board or agency. Licensee agrees, except where exempted, to provide City proof of said insurance by and through a surplus lines broker licensed by the State of California.

Section 9.0 City Held Harmless.

9.1 In addition to the requirements of Section 4, Insurance herein, Licensee shall, to the fullest extent permitted by law, defend, indemnify and hold harmless City and any and all of its boards, commissioners, officers, directors, agents, employees, assigns and successors in interest (collectively "City Defendants") from and against any and all allegations, suits, claims, causes of action, liability, losses, damages, demands or expenses (including, but not limited to, attorney's fees and costs of litigation) (collectively "Claims"), prosecuted by anyone (including

Licensee and/or Licensee's agents, former and current employees, or competitors) by reason of, arising out of, related to, connected with or pertaining to (1) injury to, or death of, any person(s) (including Licensee and/or Licensee's agents or employees), or (2) damage to, or destruction of, any property (including property of Licensee and/or Licensee's agents or employees), or (3) Licensee's (and/or its employees' or agents') and/or Sublicensee's (and/or its employees' or agents') performance of the Contract, or (4) City's selection of Licensee over its competitors as the awardee of this License; whether or not contributed to by any act or omission of City, or of any of City's Boards, officers, agents or employees. If applicable, (a) where such Claims arise from or relate to Licensee's performance of a "Construction Contract" as defined by California Civil Code Section 2783, this paragraph shall not be construed to require Licensee to indemnify or hold City harmless to the extent such Claims are caused by the City's sole negligence, willful misconduct or active negligence; and/or (b) where such Claims arise from Licensee's design professional services as defined by California Civil Code Section 2782.8, Licensee's indemnity obligations shall be limited to Claims arising out of, pertaining to, or relating to the Licensee's negligence, recklessness or willful misconduct in the performance of the Contract.

9.2 In Licensee's defense of the City, including but not limited to the negotiation, compromise, and settlement of any action, the City shall retain discretion in and control of the litigation, negotiation, compromise, settlement, and appeals there from, as required by the Los Angeles City Charter, particularly Article II, Sections 271, 272 and 273 thereof.

9.3 Survival of Indemnities. The provisions under this Section 5 shall survive the termination of this License. Rights and remedies available to the City hereinabove shall survive the termination of this License. Further, the rights and remedies are cumulative of those provided for elsewhere in this License and those allowed under the laws of the United States, the State of California, and the City of Los Angeles.

Section 10.0 Attorney's Fees.

10.1 If City shall, without any fault, be made a party to any litigation commenced by or against Licensee arising out of Licensee's use or occupancy of the Airport, then Licensee shall pay all costs, expenses, and reasonable attorney's fees incurred by or imposed upon City in connection with such litigation. Each party shall give prompt notice to the other of any claim or suit instituted against it that may affect the other party.

Section 11.0 Hazardous and Other Regulated Substances.

11.1 Definition of "hazardous substances(s)". For the purposes of this License, "hazardous substances" means:

11.1.1 Any substance the presence of which requires the investigation or remediation under any federal, state or local statute, regulation, rule, ordinance, order, action, policy or common law; or

11.1.2 Any substance which is or becomes defined as a hazardous waste, extremely hazardous waste, hazardous material, hazardous substance, hazardous chemical, toxic

chemical, toxic substance, cancer causing substance, substance that causes reproductive harm, pollutant or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.) and/or the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); or

11.1.3 Any substance which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, agency, department, commission, council, board, or instrumentality of the United States, the State of California, the City of Los Angeles, or any political subdivision of any of them; or

11.1.4 Any substance the presence of which on the Airport causes or threatens to cause a nuisance upon the Airport or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Airport; or

11.1.5 Any substance the presence of which on adjacent properties could constitute a trespass by Licensee; or

11.1.6 Any substance, without limitation, which contains gasoline, aviation fuel, jet fuel, diesel fuel or other petroleum hydrocarbons, lubricating oils, solvents, polychlorinated biphenols (PCBs) asbestos, urea formaldehyde or radon gases.

11.2 **Environmental Indemnity.** Except for conditions existing prior to the original operation and use of the Airport by Licensee, Licensee agrees to accept sole responsibility for full compliance with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws, and/or other orders of any governmental entity regarding the use, storage, handling, distribution, processing, and/or disposal of hazardous substances, regardless of whether the obligation for such compliance or responsibility is placed on the owner of the land, on the owner of any improvements on the Airport, on the user of the land, or on the user of the improvements. Licensee agrees that any claims, damages, penalties, or fines asserted against or levied on City and/or the Licensee as a result of noncompliance with any of the provisions in this Section shall be the sole responsibility of the Licensee and that Licensee shall indemnify and hold City harmless from all such claims, damages, penalties, or fines. Further, City may, at its option, pay such claims, damages, penalties, or fines resulting from Licensee's non-compliance with any of the terms of this Section, and Licensee shall indemnify and reimburse City for any such payments.

11.3 In the case of any hazardous substance spill, leak, discharge, release or contamination by Licensee or its employees, servants, agents, contractors, or subcontractors on the Airport or as may be discharged or released in, on or under adjacent property which affects other property of City or its tenants, Licensee agrees to make or cause to be made any necessary corrective actions to clean up and remove any such spill, leakage, discharge, release or contamination. If Licensee fails to repair, clean up, properly dispose of, or take any other corrective actions as required herein, City may (but shall not be required to) take all steps it deems necessary to properly repair, clean up, or otherwise correct the conditions resulting from

the spill, leak, discharge, release or contamination. Any such repair, cleanup, or corrective actions taken by City shall be at Licensee's sole cost and expense and Licensee shall indemnify and pay for and/or reimburse City for any and all costs (including any administrative costs) City incurs as a result of any repair, cleanup, or corrective action it takes.

11.4 If Licensee installs or uses already installed underground storage tanks, above-ground storage tanks, pipelines, or other improvements on the Airport for the storage, distribution, use, treatment, or disposal of any hazardous substances, Licensee agrees, upon the expiration and/or termination of this License, to remove and/or clean up, at the sole option of the Executive Director, the above-referred-to improvements. Said removal and/or cleanup shall be at the Licensee's sole cost and expense and shall be undertaken and completed in full compliance with all federal, state, and local laws and regulations, as well as with the reasonable directions of the Executive Director.

11.5 **Licensee's Provision to City of Environmental Documents.** Licensee shall promptly supply City with complete and legible copies of all notices, reports, correspondence, and other documents sent by Licensee to or received by Licensee from any governmental entity regarding any hazardous substance. Such written materials include, without limitation, all documents relating to any threatened or actual hazardous substance spill, leak, or discharge, or to any investigations into or clean up of any actual or threatened hazardous substance spill, leak, or discharge including all test results.

11.6 **Survival of Obligations.** This Section and the obligations herein shall survive the expiration or earlier termination of this License.

Section 12.0 Airfield Security.

12.1 Licensee shall be responsible for fully complying with any and all applicable present and/or future rules, regulations, restrictions, ordinances, statutes, laws, airport security agreements, and/or orders of any federal, state, and/or local governmental entity regarding airfield security. Licensee shall be responsible for the Airport gates and doors that are controlled or used by Licensee. Licensee shall comply fully with applicable provisions of the Transportation Security Administration Regulations, 49 Code of Federal Regulations ("CFR"), Sections 1500 through 1550 and 14 CFR Part 129, if applicable, including the establishment and implementation of procedures acceptable to the Executive Director to control access to air operation areas in accordance with the Airport Security Program required by CFR Sections 1500 through 1550.

12.2. In addition to the foregoing, gates and doors controlled or used by Licensee which permit entry into restricted areas at Airport shall be kept locked by Licensee at all times when not in use or under Licensee's constant security surveillance. Gate or door malfunctions which permit unauthorized entry into restricted areas shall be reported to LAWA's Operations Bureau without delay and shall be maintained under constant surveillance by Licensee until repairs are affected by Licensee or City and/or the gate or door is properly secured.

12.3 Licensee shall cooperate with City to maintain and improve Airport security, and shall cooperate in investigations of violations of state and local laws, ordinances, and rules and regulations, of any federal, state and/or local governmental entity regarding airport and airfield security. Licensee shall provide necessary assistance to, and cooperate with, City in case of any emergency. Licensee shall, upon request, provide City relevant information which will enable City to provide efficient and effective management in response to any airport or airfield emergency.

12.4 All civil penalties levied by the TSA for violation of TSA regulations pertaining to security gates or doors controlled or used by Licensee shall be the sole responsibility of Licensee. Licensee agrees to indemnify City for any federal civil penalty amounts City must pay due to any security violation arising from the breach of any obligation imposed by this Section. Licensee is also responsible for City's attorney's fees and costs.

Section 13.0 Assignments and Encumbrances.

13.1 Licensee shall not, in any manner assign, transfer or encumber this License, or any portion thereof or any interest therein, nor shall Licensee license or otherwise authorize the use of, in whole or in part, the rights granted by this License, without the prior written consent of the Executive Director. Any attempts to assign, transfer or encumber this License, or any licensing or authorizing the use of, in whole or in part, the rights granted by this License, shall be void and shall confer no right, title or interest in or to this License, upon any such assignee, transferee, or encumbrancer. Consent to one assignment, transfer, or encumbrance shall not be deemed to be a consent to any subsequent assignment, transfer or encumbrance. This License shall not, nor shall any interest therein, be assignable as to the interest of Licensee by operation of law without the prior written consent of Board. Any change in the majority ownership of or the power to vote the majority of outstanding capital stock of the Licensee is subject to the requirements herein.

13.2 When proper consent has been given by the Board, the provisions of this License shall be binding upon, and shall inure to the benefit of, the heir(s), successor(s), executor(s), administrator(s) and assign(s) of the parties hereto.

Section 14.0 Nondiscrimination and Equal Employment Practices/ Affirmative Action Program.

14.1. Federal Non-Discrimination Provisions.

14.1.1 The Licensee for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on said property described in this License, for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Licensee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended. [USE GUIDE, Paragraph 1].

14.1.2 The Licensee for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant that: (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Licensee shall use the Airport in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended. [USE GUIDE, Paragraph 1].

14.1.3 The Licensee assures that it will comply with pertinent statutes, Executive Orders, and such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision obligates the Licensee or its transferee for the period during which Federal assistance is extended to the airport program, except where Federal assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon. In these cases, the provision obligates the party or any transferee for the longer of the following periods: (a) the period during which the property is used by the sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the airport sponsor or any transferee retains ownership or possession of the property. [USE GUIDE, paragraph 1]

14.1.4 Licensee shall furnish its services on a reasonable and not unjustly discriminatory basis to all users, and charge reasonable and not unjustly discriminatory prices for each unit or service, provided that Licensee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers. [USE GUIDE, paragraph 11]

14.1.5 Licensee agrees that it shall insert the provisions found in Subsections 14.1.3 and 14.1.4 above in any assignment, license, transfer or sublicense by which said Licensee grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the Airport.

14.2. **Municipal Non-Discrimination Provisions.**

14.2.1 **Non-Discrimination In Use Of Airport.** There shall be no discrimination against or segregation of any person, or group of persons, on account of race, religion, national origin, ancestry, sex, sexual orientation, age, gender identity, gender expression, physical handicap, marital status, domestic partner status, or medical condition in the License, transfer, use, occupancy, tenure, or enjoyment of the Airport or any operations or activities conducted on the Airport. Nor shall Licensee or any person claiming under or through Licensee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, subtenants, or vendees of the Airport.

Any assignment or transfer which may be permitted under this License shall also be subject to all non-discrimination clauses contained in Article 2, Section 14.2.

14.2.2 **Non-Discrimination In Employment.** During the term of this License, Licensee agrees and obligates itself in the performance of this License not to discriminate against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, sexual orientation, gender identity, gender expression, age, physical handicap, marital status, domestic partner status, or medical condition. Licensee shall take affirmative action to insure that applicants for employment are treated, during the term of this License, without regard to the aforementioned factors and shall comply with the affirmative action requirements of the Los Angeles Administrative Code, Sections 10.8, et seq., or any successor ordinances or law concerned with discrimination.

14.2.3 **Equal Employment Practices.** If the total payments made to City under this lease are One Thousand Dollars (\$1,000) or more, this provision shall apply. During the performance of this License, Licensee agrees to comply with Section 10.8.3 of the Los Angeles Administrative Code ("Equal Employment Practices"), which is incorporated herein by this reference. A copy of Section 10.8.3 has been attached to this License for the convenience of the parties as Exhibit B. By way of specification but not limitation, pursuant to Sections 10.8.3.E and 10.8.3.F of the Los Angeles Administrative Code, the failure of Licensee to comply with the Equal Employment Practices provisions of this License may be deemed to be a material breach of this License. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to Licensee. Upon a finding duly made that Licensee has failed to comply with the Equal Employment Practices provisions of this License, this License may be forthwith terminated, cancelled, or suspended.

14.2.4 . **Affirmative Action Program.** If the total payments made under this License are One Hundred Thousand Dollars (\$100,000) or more, this provision shall apply. During the performance of this License, Licensee agrees to comply with Section 10.8.4 of the Los Angeles Administrative Code ("**Affirmative Action Program**"), which is incorporated herein by this reference. A copy of Section 10.8.4 has been attached to this License for the convenience of the parties as Exhibit C. By way of specification but not limitation, pursuant to Sections 10.8.4.E and 10.8.4.F of the Code, the failure of Licensee to comply with the Affirmative Action Program provisions of this License may be deemed to be a material breach of this License. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to Licensee. Upon a finding duly made that Licensee has failed to comply with the Affirmative Action Program provisions of this License, this License may be forthwith terminated, cancelled or suspended.

Section 15 Living Wage Ordinance.

15.1. Living Wage Ordinance

15.1.1 **General Provisions: Living Wage Policy.** This License is subject to the Living Wage Ordinance ("LWO") (Section 10.37, et seq., of the Los Angeles Administrative Code) which is incorporated herein by this reference. A copy of Section 10.37 has been attached hereto

for the convenience of the parties as Exhibit D. The LWO requires that, unless specific exemptions apply, any employees of tenants or licensees of City property who render services on the leased premises or licensed premises are covered by the LWO if any of the following applies: (1) the services are rendered on premises at least a portion of which are visited by substantial numbers of the public on a frequent basis, (2) any of the services could feasibly be performed by City of Los Angeles employees if the awarding authority had the requisite financial and staffing resources, or (3) the designated administrative agency of the City of Los Angeles has determined in writing that coverage would further the proprietary interests of the City of Los Angeles. Employees covered by the LWO are required to be paid not less than a minimum initial wage rate, as adjusted each year. The LWO also requires that employees be provided with at least twelve (12) compensated days off per year for sick leave, vacation, or personal necessity at the employee's request, and at least ten (10) additional days per year of uncompensated time pursuant to Section 10.37.2(b). The LWO requires employers to inform employees making less than twelve dollars (\$12) per hour of their possible right to the federal Earned Income Tax Credit ("EITC") and to make available the forms required to secure advance EITC payments from the employer pursuant to Section 10.37.4. Licensee shall permit access to work sites for authorized City representatives to review the operation, payroll, and related documents, and to provide certified copies of the relevant records upon request by the City. Whether or not subject to the LWO, Licensee shall not retaliate against any employee claiming non-compliance with the provisions of the LWO, and, in addition, pursuant to Section 10.37.6(c), Licensee agrees to comply with federal law prohibiting retaliation for union organizing.

15.1.2 Living Wage Coverage Determination. An initial determination has been made that this is a public lease under the LWO, and, that it is not exempt from coverage by the LWO. Determinations as to whether this License is a public lease or license covered by the LWO, or whether an employer or employee are exempt from coverage under the LWO are not final, but are subject to review and revision as additional facts are examined and/or other interpretations of the law are considered. In some circumstances, applications for exemption must be reviewed periodically. City shall notify Licensee in writing about any redetermination by City of coverage or exemption status. To the extent Licensee claims non-coverage or exemption from the provisions of the LWO, the burden shall be on Licensee to prove such non-coverage or exemption.

15.1.3 Compliance; Termination Provisions And Other Remedies: Living Wage Policy. If Licensee is not initially exempt from the LWO, Licensee shall comply with all of the provisions of the LWO, including payment to employees at the minimum wage rates, effective on the Execution Date of this License. If Licensee is initially exempt from the LWO, but later no longer qualifies for any exemption, Licensee shall, at such time as Licensee is no longer exempt, comply with the provisions of the LWO and execute the then currently used Declaration of Compliance Form, or such form as the LWO requires. Under the provisions of Section 10.37.6(c) of the Los Angeles Administrative Code, violation of the LWO shall constitute a material breach of this License and City shall be entitled to terminate this License and otherwise pursue legal remedies that may be available, including those set forth in the LWO, if City determines that Licensee violated the provisions of the LWO. The procedures and time periods provided in the LWO are in lieu of the procedures and time periods provided elsewhere in this

License. Nothing in this License shall be construed to extend the time periods or limit the remedies provided in the LWO.

15.1.4 **Subcontractor Compliance.** Licensee agrees to include, in every subcontract or sublicense covering City property entered into between Licensee and any subcontractor, a provision pursuant to which such subcontractor (A) agrees to comply with the Living Wage Ordinance and the Service Contractor Worker Retention Ordinance with respect to City's property; (B) agrees not to retaliate against any employee lawfully asserting noncompliance on the part of the Subcontractor with the provisions of either the Living Wage Ordinance or the Service Contractor Worker Retention Ordinance; and (C) agrees and acknowledges that City, as the intended third-party beneficiary of this provision may (i) enforce the Living Wage Ordinance and Service Contractor Worker Retention Ordinance directly against the subcontractor with respect to City property, and (ii) invoke, directly against the subcontractor with respect to City property, all the rights and remedies available to City under Section 10.37.5 of the Living Wage Ordinance and Section 10.36.3 of the Service Contractor Worker Retention Ordinance, as same may be amended from time to time.

15.2 **Service Contract Worker Retention Ordinance.** This License may be subject to the Service Contract Worker Retention Ordinance ("SCWRO") (Section 10.36, et seq, of the Los Angeles Administrative Code), which is incorporated herein by this reference. A copy of Section 10.36 has been attached hereto for the convenience of the parties as Exhibit E. If applicable, Licensee must also comply with the SCWRO which requires that, unless specific exemptions apply, all employers under contracts that are primarily for the furnishing of services to or for the City of Los Angeles and that involve an expenditure or receipt in excess of \$25,000 and a contract term of at least three (3) months shall provide retention by a successor contractor for a ninety-day (90-day) transition period of the employees who have been employed for the preceding twelve (12) months or more by the terminated contractor or subcontractor, if any, as provided for in the SCWRO. Under the provisions of Section 10.36.3(c) of the Los Angeles Administrative Code, City has the authority, under appropriate circumstances, to terminate this License and otherwise pursue legal remedies that may be available if City determines that the subject contractor violated the provisions of the SCWRO.

Section 16.0 Alternative Fuel Vehicle Requirement Program (LAX Only)

16.1 Licensee shall comply with the provisions of the Alternative Fuel Vehicle Requirement Program. The rules, regulations, and requirements of the Alternative Fuel Vehicle Program are attached as Exhibit F and made a material term of this License.

Section 17.0 Laws, Rules and Regulations.

17.1 Licensee shall be solely responsible for fully complying with any and all applicable present and/or future rules, regulations, restrictions, ordinances, statutes, laws, and/or orders of any federal, state and/or local government authority.

17.2 Licensee shall be solely responsible for fully complying with any and all applicable present and/or future orders, directives, or conditions issued, given or imposed by the

Executive Director which are now in force or which may be hereafter adopted by the Board and/or the Executive Director with respect to the operation of Airport.

17.3 Notwithstanding requirements of this License, Licensee shall be responsible for obtaining a City-issued motor vehicle operating permit, and for ensuring that all operators of motor vehicles operated on Licensee's behalf possess current, valid, and appropriate driver's licenses.

17.4 Licensee shall be responsible for requesting in writing City-issued identification ("ID") badges for all employees who will have access to the Security Identification Display Areas on the Airport, as designated in the Airport's security program. Each employee must complete the Transportation Security Administration ("TSA")- mandated training program before an ID badge is issued. As part of the badging process, City will conduct background investigations, including fingerprinting of Licensee's employee badge applicants. Licensee shall assist City as necessary to facilitate the badging process. Licensee shall be responsible for the immediate reporting of all lost or stolen ID badges and the immediate return of the ID badges of all personnel transferred from Airport assignments or terminated from the employ of the Licensee or upon termination of this License. In addition, Licensee shall pay, or cause to be paid, to City such charges, as may be established from time to time, for the acquisition of ID badges, for lost or stolen ID badges, and for those badges not returned to City in accordance with this Section. City shall also have the right to audit Licensee's compliance with security and ID badge rules and regulations.

17.5 Licensee shall be solely responsible for any and all civil and/or criminal penalties assessed as a result of its failure to comply with any of these rules, regulations, restrictions, ordinances, statutes, laws, orders, directives and/or conditions.

Section 18.0 Business Tax Registration.

18.1 Licensee represents that it has registered its business with the Office of Finance of the City of Los Angeles and has obtained and presently holds from that office a Business Tax Registration Certificate, or a Business Tax Exemption Number, required by City's Business Tax Ordinance (Article 1, Chapter 2, Sections 21.00 and following, of City's Municipal Code). Licensee shall maintain, or obtain as necessary, all such certificates required of it under said ordinance and shall not allow any such certificate to be revoked or suspended during the term hereof.

Section 19.0 Taxes, License Fees and Licenses.

19.1 Licensee shall pay all taxes of whatever character that may be levied or charged upon Licensee's operations at the Airport, or upon Licensee's improvements, fixtures, equipment, or other property on the Airport, or upon Licensee's use thereof.

19.2 Licensee shall also pay for, and cause to be maintained in full force and effect during the term of this License, all licenses or permits necessary or required by law or regulation for the conduct and operation of Licensee's business authorized herein, or for use of Airport. Such licenses and permits shall cover not only Licensee, but also all of Licensee's employees

and agents required to be licensed to transact Licensee's business at the Airport.

19.3 If a claim is made against City for any of the above charges, City shall notify Licensee in writing and Licensee shall promptly pay said charges; provided, however, that failure by City to give such notice shall not constitute a waiver of Licensee's obligation to pay such taxes, license and/or license fees.

19.4 The obligations of Licensee under this Section, however, shall not prevent Licensee from contesting the validity and/or applicability of any of the above charges and, during the period of any such lawful contest, Licensee may refrain from making, or direct the withholding of, any such payment without being in breach of the above provisions. Upon a final determination in which Licensee is held responsible for such taxes and/or fees, Licensee shall promptly pay the required amount, plus all legally imposed interest, penalties and surcharges. If all or any part of such taxes and/or fees, penalties, or surcharges are refunded to City, City shall remit to Licensee such sums to which Licensee is legally entitled.

19.5 In addition, by executing this License and accepting the benefits thereof, a property interest may be created known as a "possessory interest." If such possessory interest is created, Licensee, as the party in whom the possessory interest is vested, shall be subject to the payment of the property taxes levied upon such interest.

Section 20.0 Disabled Access.

20.1 Licensee shall be solely responsible for fully complying with any and all applicable present and/future rules, regulations, restrictions, ordinances, statutes, laws, and/or orders of any federal, state, and/or local governmental entity and/or court regarding disabled access, including any services, programs, improvements or activities provided by Licensee. Licensee shall be solely responsible for any and all damages caused by, and/or penalties levied as the result of, Licensee's noncompliance. Further, Licensee agrees to cooperate fully with City in its efforts to comply with the Americans with Disabilities Act of 1990 and any amendments thereto, or successor statutes.

20.2 Should Licensee fail to comply with Subsection 20.1, then City shall have the right, but not the obligation, to perform, or have performed, whatever work is necessary to achieve equal access compliance. Licensee will then be required to reimburse City for the actual cost of achieving compliance, plus a fifteen percent (15%) administrative charge.

Section 21.0 Child Support Orders.

21.1 This License is subject to Section 10.10, Article I, Chapter 1, Division 10 of the Los Angeles Administrative Code related to Child Support Assignment Orders, which is incorporated herein by this reference. A copy of Section 10.10 has been attached hereto for the convenience of the parties on Exhibit G. Pursuant to this Section, Licensee (and any subcontractor of Licensee providing services at City under this License) shall (1) fully comply with all State and Federal employment reporting requirements for Licensee's or Licensee's

subcontractor's employees applicable to Child Support Assignments Orders; (2) fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with California Family Code Section 5230, et seq.; and (3) maintain such compliance throughout the term of this License. Pursuant to Section 10.10(b) of the Los Angeles Administrative Code, failure of Licensee or an applicable subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of Licensee or applicable subcontractors to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default of this License subjecting this License to termination where such failure shall continue for more than ninety (90) days after notice of such failure to Licensee by City (in lieu of any time for cure provided elsewhere in this License).

Section 22.0 Waiver.

22.1 The waiver by either party of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of any other term, covenant, or condition, or of any subsequent breach of the same term, covenant, or condition. The subsequent acceptance of compensation hereunder by City shall not be deemed to be a waiver of any preceding breach by Licensee of any term, covenant, or condition of this License other than the failure of Licensee to pay the particular compensation so accepted, regardless of City's knowledge of such preceding breach at the time of acceptance of such compensation.

Section 23.0 City's Right to Contract With Others Regarding License Rights.

23.1 The rights granted hereunder by this License are not exclusive in nature, and City specifically reserves the right to enter into similar additional License agreements at Airport, at any time.

Section 24.0 Quality of Licensee's Services.

24.1 Licensee shall, at all times during the term of this License, comply with all safety rules and regulations promulgated by any governmental authority having control over Licensee's operations under this License at Airport.

24.2 All vehicles, automotive equipment, machinery, appliances, underground installations and other equipment used by Licensee in its operations under this License shall, at no cost to City, be maintained in good mechanical condition and appearance and shall be modern up-to-date equipment which shall, at all times, meet all requirements necessary or lawfully required for fire protection and for the enhancement of the safety of operations considering the nature of the business in which Licensee is engaged.

24.3 All employees of Licensee engaged in rendering the services authorized in this License shall, at all times while on duty, be neatly and cleanly dressed in accordance with the duty being performed by them, and they shall wear such identification and/or device as shall meet with the approval of City.

24.4 Licensee shall furnish professional, prompt and efficient service so as not to reflect any discredit on City or Airport.

Section 25.0 Miscellaneous Provisions.

25.1 **Fair Meaning.** The language of this License shall be construed according to its fair meaning, and not strictly for or against either City or Licensee.

25.2 **Section Headings.** The section headings appearing herein are for the convenience of City and Licensee, and shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning, or intent of the provisions of this License.

25.3 **Void Provisions.** If any provision of this License is determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision of this License, and all such other provisions shall remain in full force and effect.

25.4 **Two Constructions.** It is the intention of the parties hereto that if any provision of this License is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

25.5 **Laws of California.** This License shall be construed and enforced in accordance with the laws of the State of California and venue shall lie at Airport.

25.6 **Gender.** The use of any gender herein shall include all genders, and the use of any number shall be construed as the singular or the plural, all as the context may require.

25.7 **Exclusivity.** It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act [49 U.S.C. 40103(e) and 47107(a)(4) (Public Law 103-272; 108 STAT. 1102)]. [USE GUIDE, paragraph 9]

25.8 **Rights of United States Government.** This License shall be subordinate to the provisions and requirements of any existing or future agreement between City and the United States relative to the development, operation, or maintenance of Airport. [USE GUIDE, paragraph 4]

25.9 **War or National Emergency.** This License and all the provisions hereof shall be subject to whatever right the United States Government now has or in the future may have or acquire affecting the control, operation, regulation, and taking over of Airport or the exclusive or nonexclusive use of Airport by the United States during the time of war or national emergency. [USE GUIDE, paragraph 10]

25.10 **Time.** Time shall be of the essence in complying with the terms, conditions, and provisions of this License.

25.11 **Integration Clause.** It is understood that no alteration or variation of the terms of this License shall be valid unless made in writing and signed by the parties hereto, and that no oral understanding or agreement, not incorporated herein in writing, shall be binding on any of the parties hereto.

25.12 **Force Majeure.** Except as otherwise provided in this License, whenever a day is established in this License on which, or a period of time, including a reasonable period of time, is designated within which, either party hereto is required to do or complete any act, matter or thing, the time for the doing or completion thereof shall be extended by a period of time equal to the number of days on or during which such party is prevented from, or is unreasonably interfered with, the doing or completion of such act, matter or thing because of strikes, lockouts, embargoes, unavailability of services, labor or materials, disruption of service or brownouts from utilities not due to action or inaction of City, wars, insurrections, rebellions, civil disorder, declaration of national emergencies, acts of God, or other causes beyond such party's reasonable control (financial inability excepted) ("Force Majeure"); provided, however, that nothing contained in this Subsection shall excuse Licensee from the prompt payment of any compensation, fees or other monetary charge required of Licensee hereunder.

25.13 **Approvals.** Any approvals required by City under this License shall be approvals of the LAWA acting as Licensor and shall not relate to, constitute a waiver of, supersede or otherwise limit or affect the governmental approvals or rights of the City as a governmental agency, including the approval of any permits required for construction or maintenance on the Airport and the passage of any laws including those relating to zoning, land use, building and safety.

25.14 **Conflicts in this License.** If there are any direct conflicts between the provisions of Article 1 and Article 2 of the License, the provisions of Article 1 shall be controlling.

25.15 **Ordinance and Los Angeles Administrative Code (hereinafter referred to as "Code") Language Governs.** Ordinance and Code Exhibits are provided as a convenience to the parties only. In the event of a discrepancy between the Exhibits and the applicable ordinance and/or code language, or amendments thereto, the language of the ordinance and/or code shall govern.

25.16 **Amendments to Ordinances and Codes.** The obligation to comply with any Ordinances and Codes which have been incorporated into this License by reference, shall extend to any amendments which may be made to those Ordinances and Codes during the term of this License.

25.17 **Days.** Unless otherwise specified, "days" shall mean calendar days.

25.18 **Deprivation of Licensee's Rights.** City shall not be liable to Licensee for any diminution or deprivation of Licensee's rights under this License which may result from Licensee's obligation to comply with any and all applicable laws, rules, regulations, restrictions, ordinances, statutes, and/or orders of any federal, state and/or local government authority and/or

court hereunder on account of the exercise of any such authority as is provided in this Subsection, nor shall Licensee be entitled to terminate the whole or any portion of the License by reason thereof.

25.19 **City's Consent.** In each instance herein where City's, Board's or the Executive Director's approval or consent is required before Licensee may act, such approval or consent shall not be unreasonably withheld, unless otherwise provided.

SAMPLE

IN WITNESS WHEREOF, City has caused this License to be executed by the Executive Director and Licensee has caused the same to be executed by its duly authorized officers and its corporate seal to be hereunto affixed,² all as of the day and year first hereinabove written.

ATTEST:

COMPANY

Date: _____

Date: _____

By: _____
Secretary (Signature)

By: _____
(Signature)

(Print Name)

(Print Name)

[SEAL]

(Print Title)

APPROVED AS TO FORM:
Michael N. Feuer, City Attorney

CITY OF LOS ANGELES

Date: _____

Date: _____

By: _____
Deputy/Assistant City Attorney

By: _____
Executive Director
Department of Airports

²If Licensee is a partnership, a general partner should sign. If Licensee is a sole proprietorship or non-corporate business, an owner should sign.

INSURANCE REQUIREMENTS FOR LOS ANGELES WORLD AIRPORTS

NAME:

AGREEMENT / ACTIVITY: **Charter Party Carrier (TCP) and Passenger Stage Corporation (PSC)
Commercial Ground Transportation Non-Exclusive License Agreement**

TERM:

LAWA DIVISION:

The insured must maintain insurance coverage at limits normally required of its type operation; however, the following coverage noted with an "X" is the minimum required and must be at least the level of the limits indicated. All limits are per occurrence unless otherwise specified.

LIMITS

- (X) Workers' Compensation (Statutory)/Employer's Liability
(X) Voluntary Compensation Endorsement
(X) Waiver of Subrogation, specifically naming LAWA
(Please see attached supplement)

Statutory

- (X) Commercial Automobile Liability - covering owned, non-owned & hired auto
Any vehicle with 7 passengers or less
Any vehicle with 8 through 15 passengers
Any vehicle with 16 passengers or more

\$750,000 CSL
\$1,500,000 CSL
\$5,000,000CSL

GENERAL LIABILITY ONLY REQUIRED WHEN OPERATING OTHER THAN SEDAN TYPE VEHICLES (SUV, Buses, Vans, etc.)

- (X) Commercial General Liability, including the following coverage:
(X) Premises and Operations
(X) Contractual (Blanket/Schedule)
(X) Independent Contractors
(X) Personal Injury
() Products /Completed Operations
(X) Additional Insured Endorsement, specifically naming LAWA
(Please see attached supplement).
() Explosion, Collapse & Underground
(required when work involves digging, excavation, grading or use of explosive materials.)
() Hangarkeepers Legal Liab. (At least at a limit of liability of \$ 1 million)

\$500,000

**CONTRACTOR SHALL BE HELD RESPONSIBLE FOR OWN OR HIRED EQUIPMENT AND SHALL
HOLD AIRPORT HARMLESS FROM LOSS, DAMAGE OR DESTRUCTION TO SUCH EQUIPMENT.**

**INSURANCE COMPANIES WHICH DO NOT HAVE AN AMBEST RATING OF A- OR BETTER, AND HAVE A MINIMUM
FINANCIAL SIZE OF AT LEAST 4, MUST BE REVIEWED FOR ACCEPTABILITY BY RISK MANAGEMENT.**

PLEASE RETURN THIS FORM WITH EVIDENCE OF INSURANCE

**EXHIBIT A
INSURANCE**

INSURANCE REQUIREMENTS FOR LOS ANGELES WORLD AIRPORTS (SUPPLEMENT)

The **only** evidence of insurance accepted will be either a Certificate of Insurance and/or a True and Certified copy of the policy. The following items must accompany the form of evidence provided:

- **Endorsements:**
 1. Workers Compensation Waiver of Subrogation Endorsement
 - WC 04 03 06 or similar
 2. General Liability Additional Insured Endorsement
 - ISO Standard Endorsements

****All endorsements must specifically name in the schedule:

The City of Los Angeles, Los Angeles World Airports, its Board, and all of its officers, employees and agents.

**A BLANKET/AUTOMATIC ENDORSEMENT AND/OR LANGUAGE ON A
CERTIFICATE OF INSURANCE IS NOT ACCEPTABLE.**

- A typed legible name of the Authorized Representative must accompany the signature on the Certificate of Insurance and/or the True and Certified copy of the policy.

LOS ANGELES ADMINISTRATIVE CODE
Div. 10, Ch. 1, Art. 1

EQUAL EMPLOYMENT

Sec. 10.8.3. Equal Employment Practices Provisions.

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$1,000 or more, and every construction contract for which the consideration is \$1,000 or more, shall contain the following provisions, which shall be designated as the **EQUAL EMPLOYMENT PRACTICES** provision of such contract:

A. During the performance of this contract, the contractor agrees and represents that it will provide equal employment practices and the contractor and each subcontractor hereunder will ensure that in his or her employment practices persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

1. This provision applies to work or service performed or materials manufactured or assembled in the United States.
2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
3. The contractor agrees to post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

B. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

C. As part of the City's supplier registration process, and/or at the request of the awarding authority, or the Board of Public Works, Office of Contract Compliance, the contractor shall certify in the specified format that he or she has

not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, national origin, ancestry, sex, sexual orientation, age, disability, marital status or medical condition.

D. The contractor shall permit access to and may be required to provide certified copies of all of his or her records pertaining to employment and to employment practices by the awarding authority or the Office of Contract Compliance for the purpose of investigation to ascertain compliance with the Equal Employment Practices provisions of City contracts. On their or either of their request the contractor shall provide evidence that he or she has or will comply therewith.

E. The failure of any contractor to comply with the Equal Employment Practices provisions of this contract may be deemed to be a material breach of City contracts. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made or penalties assessed except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.

F. Upon a finding duly made that the contractor has failed to comply with the Equal Employment Practices provisions of a City contract, the contract may be forthwith canceled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such failure to comply may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Charter of the City of Los Angeles. In the event of such a determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two

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EQUAL EMPLOYMENT

years, or until the contractor shall establish and carry out a program in conformance with the provisions hereof.

G. Notwithstanding any other provision of this contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

H. The Board of Public Works shall promulgate rules and regulations through the Office of Contract Compliance, and provide necessary forms and required language to the awarding authorities to be included in City Request for Bids or Request for Proposal packages or in supplier registration requirements for the implementation of the Equal Employment Practices provisions of this contract, and such rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish the contract compliance program.

I. Nothing contained in this contract shall be construed in any manner so as to require or permit any act which is prohibited by law.

J. At the time a supplier registers to do business with the City, or when an individual bid or proposal is submitted, the contractor shall agree to adhere to the Equal Employment Practices specified herein during the performance or conduct of City Contracts.

K. Equal Employment Practices shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Hiring practices;
2. Apprenticeships where such approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
3. Training and promotional opportunities; and
4. Reasonable accommodations for persons with disabilities.

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

SECTION HISTORY

Amended by: Ord. No.147,030, Eff. 4-28-75; Paragraphs A., B., C., Ord. No. 164,516, Eff. 4-13-89; Paragraphs C., Ord. No.168,244, Eff. 10-18-92; Ord. No. 173,186, Eff. 5-22-00; Subsec. F., Ord. No.173,285, Eff. 6-26-00, Oper. 7-1-00.

LOS ANGELES ADMINISTRATIVE CODE

Div. 10, Ch. 1, Art. 1

AFFIRMATIVE ACTION

Sec. 10.8.4. Affirmative Action Program Provisions.

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$100,000 or more and every construction contract with or on behalf of the City of Los Angeles for which the consideration is \$5,000 or more shall contain the following provisions which shall be designated as the **AFFIRMATIVE ACTION PROGRAM** provisions of such contract:

A. During the performance of a City contract, the contractor certifies and represents that the contractor and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

1. This provision applies to work or services performed or materials manufactured or assembled in the United States.
2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
3. The contractor shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.

B. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

C. As part of the City's supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, the contractor shall certify on an electronic or hard copy form to be supplied, that the contractor has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status or medical condition.

D. The contractor shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City contracts, and on their or either of their request to provide evidence that it has or will comply therewith.

E. The failure of any contractor to comply with the Affirmative Action Program provisions of City contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.

F. Upon a finding duly made that the contractor has breached the Affirmative Action Program provisions of a City contract, the contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section

EXHIBIT C
AFFIRMATIVE ACTION

371 of the Los Angeles City Charter. In the event of such determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.

G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that the contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City contract, there may be deducted from the amount payable to the contractor by the City of Los Angeles under the contract, a penalty of TEN DOLLARS (\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a City contract.

H. Notwithstanding any other provisions of a City contract the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.

I. The Public Works Board of Commissioners shall promulgate rules and regulations through the Office of Contract Compliance and provide to the awarding authorities electronic and hard copy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish this contract compliance program.

J. Nothing contained in City contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.

K. The contractor shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it registers to do business with the City. The plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract. The awarding authority may also require contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in

order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, the contractor may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, the contractor must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.

(1) Every contract of \$5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.

(2) A contractor may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.

L. The Office of Contract Compliance shall annually supply the awarding authorities of the City with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and the contractor.

M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Apprenticeship where approved programs are functioning, and other on-the-

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- job training for non-apprenticeable occupations;
2. Classroom preparation for the job when not apprenticeable;
 3. Pre-apprenticeship education and preparation;
 4. Upgrading training and opportunities;
 5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;
 6. The entry of qualified women, minority and all other journeymen into the industry; and
 7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.

N. Any adjustments which may be made in the contractor's or supplier's work force to achieve the requirements of the City's Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the work force or replacement of those employees who leave the work force by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.

O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the City and may be used at the discretion of the City in its Contract Compliance Affirmative Action Program.

P. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by contractors or suppliers engaged in the performance of City contracts.

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

SECTION HISTORY

Amended by Ord. No. 147,030, Eff. 4-28-75; Paragraphs A., B., C., Ord. No. 164,516, Eff. 4-13-89; Paragraphs B. and C., Ord. No. 168,244, Eff. 10-18-92; Title and Section, Ord. No. 173,186, Eff. 5-22-00; Subsec. F, Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00.

EXHIBIT C AFFIRMATIVE ACTION

LOS ANGELES ADMINISTRATIVE CODE
Div. 10, Ch. 1, Art. 11

LIVING WAGE ORDINANCE

Sec. 10.37 Legislative Findings.

The City awards many contracts to private firms to provide services to the public and to City government. Many lessees or licensees of City property perform services that affect the proprietary interests of City government in that their performance impacts the success of City operations. The City also provides financial assistance and funding to others for the purpose of economic development or job growth. The City expends grant funds under programs created by the federal and state governments. Such expenditures serve to promote the goals established for those programs by such governments and similar goals of the City. The City intends that the policies underlying this article serve to guide the expenditure of such funds to the extent allowed by the laws under which such grant programs are established.

Experience indicates that procurement by contract of services has all too often resulted in the payment by service contractors to their employees of wages at or slightly above the minimum required by federal and state minimum wage laws. Such minimal compensation tends to inhibit the quantity and quality of services rendered by such employees to the City and to the public. Underpaying employees in this way fosters high turnover, absenteeism, and lackluster performance. Conversely, adequate compensation promotes amelioration of these undesirable conditions. Through this article the City intends to require service contractors to provide a minimum level of compensation that will improve the level of services rendered to and for the City.

The inadequate compensation typically paid today also fails to provide service employees with resources sufficient to afford life in Los Angeles. It is unacceptable that contracting decisions involving the expenditure of City funds should foster conditions placing a burden on limited social services. The City, as a principal provider of social support services, has an interest in promoting an employment environment that protects such limited resources. In requiring the payment of a higher minimum level of compensation, this article benefits that interest.

Nothing less than the living wage should be paid by the recipients of City financial assistance themselves. Whether they be engaged in manufacturing or some other line of business, the City does not wish to foster an economic climate where a lesser wage is all that is offered to the working poor. The same adverse social consequences from such inadequate compensation emanate just as readily from manufacturing, for example, as service industries. This article is meant to protect these employees as well.

The City holds a proprietary interest in the work performed by many employees employed by lessees and licensees of City property and by their service contractors and subcontractors. In a very real sense, the success or failure of City operations may turn on the success or failure of these enterprises, for the City has a genuine stake in how the public perceives the services rendered for them by such businesses. Inadequate compensation of these employees adversely impacts the performance by the City's lessee or licensee and thereby does the same for the success of City operations. By the 1998 amendment to this article, recognition is given to the prominence of this interest at those facilities visited by the public on a frequent basis, including but not limited to, terminals at Los Angeles International Airport, Ports O'Call Village in San Pedro, and golf courses and recreation centers operated by the Department of Recreation and Parks. This article is meant to cover all such employees not expressly exempted.

Requiring payment of the living wage serves both proprietary and humanitarian concerns of the City. Primarily because of the latter concern and experience to date regarding the failure of some employers to honor their obligation to pay the living wage, the 1998 amendments introduce additional enforcement mechanisms to ensure compliance with this important obligation. Non-complying employers must now face the prospect of paying civil penalties, but only if they fail to cure non-compliance after having been given formal notice thereof. Where non-payment is the issue, employers who dispute determinations of non-compliance may avoid civil

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LIVING WAGE ORDINANCE

penalties as well by paying into a City holding account the monies in dispute. Employees should not fear retaliation, such as by losing their jobs, simply because they claim their right to the living wage, irrespective of the accuracy of the claim. The 1998 amendments strengthen the prohibition against retaliation to serve as a critical shield against such employer misconduct.

SECTION HISTORY

*Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.*

Sec. 10.37.1 Definitions.

The following definitions shall apply throughout this article:

- (a) **"Airport"** means the Department of Airports and each of the airports which it operates.
- (b) **"Airport Employer"** means an Employer, as the term is defined in this section, at the Airport.
- (c) **"Airport Employee"** means an Employee, as the term is defined in this section, of an Airport Employer.
- (d) **"Awarding authority"** means that subordinate or component entity or person of the City (such as a department) or of the financial assistance recipient that awards or is otherwise responsible for the administration of a service contract or public lease or license, or, where there is no such subordinate or component entity or person, then the City or the City financial assistance recipient.
- (e) **"City"** means the City of Los Angeles and all awarding authorities thereof, including those City departments which exercise independent control over their expenditure of funds, but excludes the Community Redevelopment Agency of the City of Los Angeles ("**CRA**"). The CRA is urged, however, to adopt a policy similar to that set forth in this article.
- (f) **"City financial assistance recipient"** means any person who receives from the City discrete financial assistance for economic development or job growth expressly articulated and

identified by the City, as contrasted with generalized financial assistance such as through tax legislation, in accordance with the following monetary limitations. Assistance given in the amount of one million dollars (\$1,000,000) or more in any twelve-month period shall require compliance with this article for five years from the date such assistance reaches the one million dollar (\$1,000,000) threshold. For assistance in any twelve-month period totaling less than one million dollars (\$1,000,000) but at least one hundred thousand dollars (\$100,000), there shall be compliance for one year if at least one hundred thousand dollars (\$100,000) of such assistance is given in what is reasonably contemplated at the time to be on a continuing basis, with the period of compliance beginning when the accrual during such twelve-month period of such continuing assistance reaches the one-hundred thousand dollar (\$100,000) threshold.

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

A recipient shall be exempted from application of this article if: (1) it is in its first year of existence, in which case the exemption shall last for one (1) year, (2) it employs fewer than five (5) employees for each working day in each of twenty (20) or more calendar weeks in the current or preceding calendar year, or (3) it obtains a waiver as provided herein. A recipient - who employs the long-term unemployed or provides trainee positions intended to prepare employees for permanent positions, and who claims that compliance with this article would cause an economic hardship - may apply in writing to the City department or office administering such assistance, which department or office which shall forward such application and its recommended action on it to the

City Council. Waivers shall be affected by Council resolution.

(g) “**Contractor**” means any person that enters into: (1) a service contract with the City, (2) a service contract with a proprietary lessee or licensee or sublessee or sublicensee, or (3) a contract with a City financial assistance recipient to assist the recipient in performing the work for which the assistance is being given. Vendors, such as service contractors, of City financial assistance recipients shall not be regarded as contractors except to the extent provided in Subsection (i).*

*Technical correction due to re-lettering of subsections: "Subsection (f)" corrected to "Subsection (i)".

(h) “**Designated Administrative Agency (DAA)**” means the Department of Public Works, Bureau of Contract Administration, who shall bear administrative responsibilities under this article.

(i) “**Employee**” means any person - who is not a managerial, supervisory, or confidential employee and who is not required to possess an occupational license - who is employed (1) as a service employee of a contractor or subcontractor on or under the authority of one or more service contracts and who expends any of his or her time thereon, including but not limited to: hotel employees, restaurant, food service or banquet employees; janitorial employees; security guards; parking attendants; nonprofessional health care employees; gardeners; waste management employees; and clerical employees; (2) as a service employee - of a public lessee or licensee, of a sublessee or sublicensee, or of a service contractor or subcontractor of a public lessee or licensee, or sublessee or sublicensee - who works on the leased or licensed premises; (3) by a City financial assistance recipient who expends at least half of his or her time on the funded project; or (4) by a service contractor or subcontractor of a City financial assistance recipient and who expends at least half of his or her time on the premises of the City financial assistance recipient directly involved with the activities funded by the City.

(j) “**Employer**” means any person who is a City financial assistance recipient, contractor, subcontractor, public lessee, public sublessee, public

licensee, or public sublicensee and who is required to have a business tax registration certificate by Los Angeles Municipal Code §§ [21.00](#) - 21.198 or successor ordinance or, if expressly exempted by the Code from such tax, would otherwise be subject to the tax but for such exemption; provided, however, that corporations organized under §501(c)(3) of the United States Internal Revenue Code of 1954, 26 U.S.C. §501(c)(3), whose chief executive officer earns a salary which, when calculated on an hourly basis, is less than eight (8) times the lowest wage paid by the corporation, shall be exempted as to all employees other than child care workers.

(k) “**Person**” means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts.

(l) “**Public lease or license**”.

(a) Except as provided in (l)(b)*, “**Public lease or license**” means a lease or license of City property on which services are rendered by employees of the public lessee or licensee or sublessee or sublicensee, or of a contractor or subcontractor, but only where any of the following applies:

*Technical correction due to re-lettering of subsections: "(i) (b)" corrected to "(l) (b)".

(1) The services are rendered on premises at least a portion of which is visited by substantial numbers of the public on a frequent basis (including, but not limited to, airport passenger terminals, parking lots, golf courses, recreational facilities); or

(2) Any of the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources; or

(3) The DAA has determined in writing that coverage would further the proprietary interests of the City.

(b) A public lessee or licensee will be exempt from the requirements of this article subject to the following limitations:

(1) The lessee or licensee has annual gross revenues of less than the annual gross revenue threshold, three hundred fifty thousand dollars (\$350,000), from business conducted on City property;

(2) The lessee or licensee employs no more than seven (7) people total in the company on and off City property;

(3) To qualify for this exemption, the lessee or licensee must provide proof of its gross revenues and number of people it employs in the company's entire workforce to the awarding authority as required by regulation;

(4) Whether annual gross revenues are less than three hundred fifty thousand dollars (\$350,000) shall be determined based on the gross revenues for the last tax year prior to application or such other period as may be established by regulation;

(5) The annual gross revenue threshold shall be adjusted annually at the same rate and at the same time as the living wage is adjusted under section [10.37.2](#) (a);

(6) A lessee or licensee shall be deemed to employ no more than seven (7) people if the company's entire workforce worked an average of no more than one thousand two-hundred fourteen (1,214) hours per month for at least three-fourths (3/4) of the time period that the revenue limitation is measured;

(7) Public leases and licenses shall be deemed to include public subleases and sublicenses;

(8) If a public lease or license has a term of more than two (2) years, the exemption granted pursuant to this section shall expire after two (2) years but shall be renewable in two-year increments upon meeting the requirements therefor at the time of the renewal application or such period established by regulation.

(m) **“Service contract”** means a contract let to a contractor by the City primarily for the furnishing of services to or for the City (as opposed to the purchase of goods or other property or the leasing or renting of property) and that involves an expenditure in excess

of twenty-five thousand dollars (\$25,000) and a contract term of at least three (3) months; but only where any of the following applies: (1) at least some of the services rendered are rendered by employees whose work site is on property owned by the City, (2) the services could feasibly be performed by City employees if the awarding authority had the requisite financial and staffing resources, or (3) the DAA has determined in writing that coverage would further the proprietary interests of the City.

(n) **“Subcontractor”** means any person not an employee that enters into a contract (and that employs employees for such purpose) with (1) a contractor or subcontractor to assist the contractor in performing a service contract or (2) a contractor or subcontractor of a proprietary lessee or licensee or sublessee or sublicensee to perform or assist in performing services on the leased or licensed premises. Vendors, such as service contractors or subcontractors, of City financial assistance recipients shall not be regarded as subcontractors except to the extent provided in Subsection (i).*

*Technical correction due to re-lettering of subsections: "Subsection (f)" corrected to "Subsection (i)".

(o) **“Willful violation”** means that the employer knew of his, her, or its obligations under this article and deliberately failed or refused to comply with its provisions.

SECTION HISTORY

Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (e), Ord. No. 176,155, Eff. 9-22-04; Subsec. (e), Ord. No. 176,283, Eff. 12-25-04, Oper. 9-22-04; Subsecs. (a) through (l) re-lettered (d) through (o), respectively and new Subsecs. (a), (b), and (c) added, Ord. No. 180,877, Eff. 10-19-09.

Sec. 10.37.2 Payment of Minimum Compensation to Employees.

(a) Wages. Employers shall pay Employees a wage of no less than the hourly rates set under the authority of this article. The initial rates were seven dollars and twenty-five cents (\$7.25) per hour with health benefits, as described in this article, or otherwise eight dollars and fifty cents (\$8.50) per

hour without health benefits. With the annual adjustment effective July 1, 2009, together with all previous annual adjustments as provided by this subsection, such rates are ten dollars and thirty cents (\$10.30) per hour with health benefits or, if health benefits are not provided, then fourteen dollars and eighty cents (\$14.80) per hour for Airport Employees and eleven dollars and fifty-five cents (\$11.55) per hour for all other Employees. The hourly rate with health benefits to be paid to all Employees and the hourly rate without health benefits to be paid to Airport Employees shall be adjusted annually to correspond with adjustments, if any, to retirement benefits paid to members of the Los Angeles City Employees Retirement System (LACERS), made by the CERS Board of Administration under § 4.1040. The Office of Administrative and Research Services shall so advise the DAA of any such change by June 1 of each year and of the required new hourly rates, if any. On the basis of such report, the DAA shall publish a bulletin announcing the adjusted rates, which shall take effect upon such publication.

(b) Compensated Days Off. Employers shall provide at least twelve (12) compensated days off per year for sick leave, vacation, or personal necessity at the employee's request. Employers shall also permit employees to take at least an additional ten (10) days a year of uncompensated time to be used for sick leave for the illness of the employee or a member of his or her immediate family where the employee has exhausted his or her compensated days off for that year.

SECTION HISTORY

*Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (a), Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; Subsec. (a), Ord. No. 180,877, Eff. 10-19-09.*

Sec. 10.37.3 Health Benefits.

(a) Health Benefits. The health benefits required by this article shall consist of the payment of at least four dollars and fifty cents (\$4.50) per hour by Airport Employers and at least one dollar and twenty-five cents (\$1.25) per hour by all other Employers towards the provision of health care benefits for Employees and their dependents. Proof of the provision of such benefits must be submitted to the awarding authority to qualify for the wage rate in Section 10.37(a) for Employees with health benefits. Airport Employees cannot waive the health

benefits offered by an Airport Employer when the Airport Employer does not require an out-of-pocket contribution by the Airport Employee. Consistent with and as shall be reflected in the hourly rates payable to Airport Employees as provided in 10.37.2(a) above, the amount of payment for health benefits by Airport Employers shall be adjusted annually to correspond with adjustments, if any, to retirement benefits paid to members of the Los Angeles City Employees Retirement System (LACERS), made by the CERS Board of Administration under § 4.1040. The Office of Administrative and Research Services shall so advise the DAA of any such change by June 1 of each year and of the required new hourly payments, if any. On the basis of such report, the DAA shall publish a bulletin announcing the adjusted payment, which shall take effect upon such publication.

(b) Periodic Review. At least once every three years, the Office of Administrative and Research Services shall review the health benefit payment by Airport Employers set forth in 10.37.3(a) to determine whether the payment accurately reflects the cost of health care and to assess the impacts of the health benefit payment on Airport Employers and Airport Employees and shall transmit a report with its findings to the Council.

SECTION HISTORY

*Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; In Entirety, Ord. No. 180,877, Eff. 10-19-09.*

Sec. 10.37.4 Notifying Employees of their Potential Right to the Federal Earned Income Credit.

Employers shall inform employees making less than twelve dollars (\$12) per hour of their possible right to the federal Earned Income Credit ("EIC") under § 32 of the Internal Revenue Code of 1954, 26 U.S.C. § 32, and shall make available to employees forms informing them about the EIC and forms required to secure advance EIC payments from the employer.

SECTION HISTORY

*Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.*

Sec. 10.37.5 Retaliation Prohibited.

Neither an employer, as defined in this article, nor any other person employing individuals shall discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the City with regard to the employer's compliance or anticipated compliance with this article, for opposing any practice proscribed by this article, for participating in proceedings related to this article, for seeking to enforce his or her rights under this article by any lawful means, or for otherwise asserting rights under this article.

SECTION HISTORY

*Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.*

Sec. 10.37.6 Enforcement.

(a) An employee claiming violation of this article may bring an action in the Municipal Court or Superior Court of the State of California, as appropriate, against an employer and may be awarded:

- (1) For failure to pay wages required by this article - back pay for each day during which the violation continued.
- (2) For failure to pay medical benefits - the differential between the wage required by this article without benefits and such wage with benefits, less amounts paid, if any, toward medical benefits.
- (3) For retaliation - reinstatement, back pay, or other equitable relief the court may deem appropriate.
- (4) For willful violations, the amount of monies to be paid under (1) - (3) shall be trebled.

(b) The court shall award reasonable attorney's fees and costs to an employee who prevails in any such enforcement action and to an employer who so prevails if the employee's suit was frivolous.

(c) Compliance with this article shall be required in all City contracts to which it applies, and such contracts shall provide that violation of this article shall constitute a material breach thereof and entitle

the City to terminate the contract and otherwise pursue legal remedies that may be available. Such contracts shall also include a pledge that there shall be compliance with federal law proscribing retaliation for union organizing.

(d) An employee claiming violation of this article may report such claimed violation to the DAA which shall investigate such complaint. Whether based upon such a complaint or otherwise, where the DAA has determined that an employer has violated this article, the DAA shall issue a written notice to the employer that the violation is to be corrected within ten (10) days. In the event that the employer has not demonstrated to the DAA within such period that it has cured such violation, the DAA may then:

- (1) Request the awarding authority to declare a material breach of the service contract, public lease or license, or financial assistance agreement and exercise its contractual remedies thereunder, which are to include, but not be limited to, termination of the service contract, public lease or license, or financial assistance agreement and the return of monies paid by the City for services not yet rendered.
- (2) Request the City Council to debar the employer from future City contracts, leases, and licenses for three (3) years or until all penalties and restitution have been fully paid, whichever occurs last. Such debarment shall be to the extent permitted by, and under whatever procedures may be required by, law.
- (3) Request the City Attorney to bring a civil action against the employer seeking:
 - (i) Where applicable, payment of all unpaid wages or health premiums prescribed by this article; and/or
 - (ii) A fine payable to the City in the amount of up to one hundred dollars (\$100) for each violation for each day the violation remains uncured.

Where the alleged violation concerns non-payment of wages or health premiums, the employer will not be subject to debarment or civil penalties if it pays the monies in dispute into a holding account maintained

by the City for such purpose. Such disputed monies shall be presented to a neutral arbitrator for binding arbitration. The arbitrator shall determine whether such monies shall be disbursed, in whole or in part, to the employer or to the employees in question. Regulations promulgated by the DAA shall establish the framework and procedures of such arbitration process. The cost of arbitration shall be borne by the City, unless the arbitrator determines that the employer's position in the matter is frivolous, in which event the arbitrator shall assess the employer for the full cost of the arbitration. Interest earned by the City on monies held in the holding account shall be added to the principal sum deposited, and the monies shall be disbursed in accordance with the arbitration award. A service charge for the cost of account maintenance and service may be deducted therefrom.

(e) Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for violation of this article.

SECTION HISTORY

*Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (d), Para. (1), Ord. No. 173,747, Eff. 2-24-01.*

Sec. 10.37.7 Administration.

The City Council shall by resolution designate a department or office, which shall promulgate rules for implementation of this article and otherwise coordinate administration of the requirements of this article ("designated administrative agency" - DAA). The DAA shall monitor compliance, including the investigation of claimed violations, and shall promulgate implementing regulations consistent with this article. The DAA shall also issue determinations that persons are City financial assistance recipients, that particular contracts shall be regarded as "service contracts" for purposes of Section [10.37.1\(j\)](#), and that particular leases and licenses shall be regarded as "public leases" or "public licenses" for purposes of Section [10.37.1\(i\)](#), when it receives an application for a determination of non-coverage or exemption as provided for in Section [10.37.13](#). The DAA shall also establish employer reporting requirements on employee compensation and on notification about and usage of the federal Earned Income Credit referred to in Section [10.37.4](#). The DAA shall report on

compliance to the City Council no less frequently than annually.

During the first, third, and seventh years of this article's operation since May 5, 1997, and every third year thereafter, the Office of Administrative and Research Services and the Chief Legislative Analyst shall conduct or commission an evaluation of this article's operation and effects. The evaluation shall specifically address at least the following matters: (a) how extensively affected employers are complying with the article; (b) how the article is affecting the workforce composition of affected employers; (c) how the article is affecting productivity and service quality of affected employers; (d) how the additional costs of the article have been distributed among workers, their employers, and the City. Within ninety days of the adoption of this article, these offices shall develop detailed plans for evaluation, including a determination of what current and future data will be needed for effective evaluation.

SECTION HISTORY

*Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00; Ord. No. 173,747, Eff. 2-24-01.*

Sec. 10.37.8 Exclusion of Service Contracts from Competitive Bidding Requirement.

Service contracts otherwise subject to competitive bid shall be let by competitive bid if they involve the expenditure of at least two-million dollars (\$2,000,000). Charter Section [372](#) shall not be applicable to service contracts.

SECTION HISTORY

*Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Ord. No. 173,285, Eff. 6-26-00, Oper. 7-1-00.*

Sec. 10.37.9 Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.

This article shall not be construed to limit an employee's right to bring legal action for violation of other minimum compensation laws.

SECTION HISTORY

*Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.*

Sec. 10.37.10 Expenditures Covered.

This article shall apply to the expenditure -- whether through aid to City financial recipients, service contracts let by the City, or service contracts let by its financial assistance recipients -- of funds entirely within the City's control and to other funds, such as federal or state grant funds, where the application of this article is consonant with the laws authorizing the City to expend such other funds.

SECTION HISTORY

*Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.*

Sec. 10.37.11 Timing of Application.

(a) Original 1997 Ordinance. The provisions of this article as enacted by City Ordinance No.171,547, effective May 5, 1997, shall apply to (1) contracts consummated and financial assistance provided after such date, (2) contract amendments consummated after such date and before the effective date of the 1998 ordinance which themselves met the requirements of former Section 10.37.1(h) (definition of “service contract”) or which extended contract duration, and (3) supplemental financial assistance provided after May 5, 1997 and before the effective date of the 1998 ordinance which itself met the requirements of Section [10.37.1\(c\)](#).

(b) 1998 Amendment. The provisions of this article as amended by the 1998 ordinance shall apply to (1) service contracts, public leases or licenses, and financial assistance agreements consummated after the effective date of such ordinance and (2) amendments, consummated after the effective date of such ordinance, to service contracts, public leases or licenses, and financial assistance agreements that provide additional monies or which extend term.

(c) 2000 amendment. The provisions of this article as amended by the 2000 ordinance shall apply to (1) service contracts, public leases or public licenses and City financial assistance recipient agreements

consummated after the effective date of such ordinance and (2) amendments to service contracts, public leases or licenses and City financial assistance recipient agreements which are consummated after the effective date of such ordinance and which provide additional monies or which extend the term.

(d) 2009 Amendment. The provisions of this article as amended by the 2009 ordinance shall become operative ninety (90) days following the effective date of the 2009 ordinance.

SECTION HISTORY

*Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99; Subsec. (b), Subsec. (c) Added, Ord. No. 173,747, Eff. 2-24-01; Subsec. (d) Added, Ord. No. 180,877, Eff. 10-19-09.*

Sec. 10.37.12 Supersession by Collective Bargaining Agreement.

Parties subject to this article may by collective bargaining agreement provide that such agreement shall supersede the requirements of this article.

SECTION HISTORY

*Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.
Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99.*

Sec. 10.37.13 Liberal Interpretation of Coverage; Rebuttable Presumption of Coverage.

The definitions of “City financial assistance recipient” in Section [10.37.1\(c\)](#), of “public lease or license” in Section [10.37.1\(i\)](#), and of “service contract” in Section [10.37.1\(j\)](#) shall be liberally interpreted so as to further the policy objectives of this article. All recipients of City financial assistance meeting the monetary thresholds of Section [10.37.1\(c\)](#), all City leases and licenses (including subleases and sublicenses) where the City is the lessor or licensor, and all City contracts providing for services that are more than incidental, shall be presumed to meet the corresponding definition just mentioned, subject, however, to a determination by the DAA of non-coverage or exemption on any basis allowed by this article, including, but not limited to, non-coverage for failure to satisfy such definition. The DAA shall by regulation establish procedures for informing persons engaging in such

transactions with the City of their opportunity to apply for a determination of non-coverage or exemption and procedures for making determinations on such applications.

SECTION HISTORY

Added by Ord. No. 172,336, Eff. 1-14-99.

Amended by: Ord. No. 173,747, Eff. 2-24-01.

Sec. 10.37.14 Severability

If any provision of this article is declared legally invalid by any court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

SECTION HISTORY

Article and Section Added by Ord. No. 171,547, Eff. 5-5-97.

Amended by: In Entirety, Ord. No. 172,336, Eff. 1-14-99

LOS ANGELES ADMINISTRATIVE CODE
Div. 10, Ch. 1, Art. 10

SERVICE CONTRACTOR WORKER RETENTION ORDINANCE

Sec. 10.36 Findings and Statement of Policy.

The City awards many contracts to private firms to provide services to the public and to City government. The City awards many contracts to private firms to provide services to the public and to City government. The City also provides financial assistance and funding to others for the purpose of economic development or job growth. At the conclusion of the terms of a service contract with the City or with those receiving financial assistance from the City, competition results in the awarding of a service contract to what may be a different contractor. These new contracts often involve anticipated changes in different managerial skills, new technology or techniques, new themes or presentations, or lower costs.

The City expends grant funds under programs created by the federal and state governments. Such expenditures serve to promote the goals established for those programs by such governments and similar goals of the City. The City intends that the policies underlying this article serve to guide the expenditure of such funds to the extent allowed by the laws under which such grant programs are established.

Despite desired changes through the process of entering into new contracts, it is the experience of the City that reasons for change do not necessarily include a need to replace workers presently performing services who already have useful knowledge about the workplace where the services are performed.

Incumbent workers have already invaluable knowledge and experience with the work schedules, practices, and clients. The benefits of replacing these workers without such experiences decreases efficiency and results in a disservice to City and City financed or assisted projects.

Retaining existing service workers when a change in contractors occurs reduces the likelihood of labor disputes and disruptions. The reduction of the likelihood of labor disputes and disruptions results in the assured continuity of services to citizens who receive services provided by the City or by City financed or assisted projects.

It is unacceptable that contracting decisions involving the expenditure of City funds should have any potential effect of creating unemployment and the consequential need for social services. The City, as a principal provider of social support services, has an interest in the stability of employment under contracts with the City or by those receiving financial assistance from the City. The retention of existing workers benefits that interest.

SECTION HISTORY

*Article and Section Added by Ord. No. 170,784, Eff. 1-13-96.
Amended by: Article and Section, Ord. No. 171,004, Eff. 5-18-96.*

Sec. 10.36.1. Definitions.

The following definitions shall apply throughout this article:

(a) **"Awarding authority"** means that subordinate or component entity or person of the City (such as a department) or of the financial assistance recipient that awards or is otherwise responsible for the administration of a service contract or, if none, then the City or the City financial assistance recipient.

(b) **"City"** means the City of Los Angeles and all awarding authorities thereof, including those City departments which exercise independent control over their expenditure of funds, but excludes the Community Redevelopment Agency of the City of Los Angeles.

(c) **"City financial assistance recipient"** means any person that receives from the City in any twelve-month period discrete financial assistance for economic development or job growth expressly articulated and identified by the City totaling at least one hundred thousand dollars (\$100,000); provided, however, that corporations organized under Section § 501(c)(3) of the United States Internal Revenue Code of 1954, 26 U.S.C. § 501(c)(3), with annual operating budgets of less than five million dollars (\$5,000,000) or that regularly employ homeless persons, persons who are chronically unemployed, or persons receiving public assistance, shall be exempt.

Categories of such assistance include, but are not limited to, bond financing, planning assistance, tax

increment financing exclusively by the City, and tax credits, and shall not include assistance provided by the Community Development Bank. City staff assistance shall not be regarded as financial assistance for purposes of this article. A loan shall not be regarded as financial assistance. The forgiveness of a loan shall be regarded as financial assistance. A loan shall be regarded as financial assistance to the extent of any differential between the amount of the loan and the present value of the payments thereunder, discounted over the life of the loan by the applicable federal rate as used in 26 U.S.C. Sections 1274(d), 7872(f). A recipient shall not be deemed to include lessees and sublessees. Service contracts for economic development or job growth shall be deemed such assistance once the \$100,000 threshold is reached.

(d) **"Contractor"** means any person that enters into a service contract with the City or a City financial assistance recipient.

(e) **"Employee"** means any person employed as a service employee of a contractor or subcontractor earning less than fifteen dollars (\$15.00) per hour in salary or wage whose primary place of employment is in the City on or under the authority of a service contract and including but not limited to: hotel employees, restaurant, food service or banquet employees; janitorial employees; security guards; parking attendants; nonprofessional health care employees; gardeners; waste management employees; and clerical employees; and does not include a person who is (1) a managerial, supervisory, or confidential employees, or (2) required to possess an occupational license.

(f) **"Person"** means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts.

(g) **"Service contract"** means a contract let to a contractor by the City or a City financial assistance recipient primarily for the furnishing of services to or for the City or financial assistance recipient (as opposed to the purchase of goods or other property) and that involves an expenditure or receipt in excess of twenty-five thousand dollars (\$25,000) and a contract term of at least three months.

(h) **"Subcontractor"** means any person not an employee that enters into a contract with a contractor to assist the contractor in performing a service

contract and that employs employees for such purpose.

(i) **"Successor service contract"** means a service contract where the services to be performed are substantially similar to a service contract that has been recently terminated.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.

Amended by: Ord. No. 171,004, Eff. 5-18-96; Subsec. (c), Ord. No. 172,843, Eff. 11-4-99.

Sec. 10.36.2. Transition Employment Period.

(a) Where an awarding authority has given notice that a service contract has been terminated, or where a service contractor has given notice of such termination, upon receiving or giving such notice, as the case may be, the terminated contractor shall within ten (10) days thereafter provide to the successor contractor the name, address, date of hire, and employment occupation classification of each employee in employment, of itself or subcontractors, at the time of contract termination. If the terminated contractor has not learned the identity of the successor contractor, if any, by the time that notice was given of contract termination, the terminated contractor shall obtain such information from the awarding authority. If a successor service contract has not been awarded by the end of the ten (10)-day period, the employment information referred to earlier in this subsection shall be provided to the awarding authority at such time. Where a subcontract of a service contract has been terminated prior to the termination of the service contract, the terminated subcontractor shall for purposes of this article be deemed a terminated contractor.

(1) Where a service contract or contracts are being let where the same or similar services were rendered by under multiple service contracts, the City or City financial aid recipient shall pool the employees, ordered by seniority within job classification, under such prior contracts.

(2) Where the use of subcontractors has occurred under the terminated contract or where the use of subcontractors is to be permitted under the successor contract, or where both circumstances arise, the City or City financial assistance recipient shall pool, when applicable, the employees, ordered by seniority within job classification, under such prior contracts or

subcontracts where required by and in accordance with rules authorized by this article.

(b) A successor contractor shall retain, for a ninety (90)-day transition employment period, employees who have been employed by the terminated contractor or its subcontractors, if any, for the preceding twelve (12) months or longer. Where pooling of employees has occurred, the successor contractor shall draw from such pools in accordance with rules established under this article. During such ninety (90)-day period, employees so hired shall be employed under the terms and conditions established by the successor contractor (or subcontractor) or as required by law.

(c) If at anytime the successor contractor determines that fewer employees are required to perform the new service contract than were required by the terminated contractor (and subcontractors, if any), the successor contractor shall retain employees by seniority within job classification.

(d) During such ninety (90)-day period, the successor contractor (or subcontractor, where applicable) shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor (or subcontractor) from which the successor contractor (or subcontractor) shall hire additional employees.

(e) Except as provided in subsection (c) of this section, during such ninety (90)-day period the successor contractor (or subcontractor, where applicable) shall not discharge without cause an employee retained pursuant to this article. "Cause" for this purpose shall include, but not be limited to, the employee's conduct while in the employ of the terminated contractor or subcontractor that contributed to any decision to terminate the contract or subcontract for fraud or poor performance.

(f) At the end of such ninety (90)-day period, the successor contractor (or subcontractor, where applicable) shall perform a written performance evaluation for each employee retained pursuant to this article. If the employee's performance during such ninety (90)-day period is satisfactory, the successor contractor (or subcontractor) shall offer the employee continued employment under the terms and conditions established by the successor contractor (or subcontractor) or as required by law. During such ninety (90)-day period, the successor contractor shall maintain a preferential hiring list of eligible covered employees not retained by the successor contractor

from which the successor contractor shall hire additional employees.

(g) If the City or a City financial assistance recipient enters into a service contract for the performance of work that prior to the service contract was performed by the City's or the recipient's own service employees, the City or the recipient, as the case may be, shall be deemed to be a "terminated contractor" within the meaning of this section and the contractor under the service contract shall be deemed to be a "successor contractor" within the meaning of this section and section 10.36.3.

SECTION HISTORY

Added by Ord. No. 170,784, Eff. 1-13-96.

Amended By: Ord. No. 171,004, Eff. 5-18-96; Subsec. (g) Added, Ord. No. 172,349, Eff. 1-29-99.

Sec. 10.36.3. Enforcement.

(a) An employee who has been discharged in violation of this article by a successor contractor or its subcontractor may bring an action in the Municipal Court or Superior Court of the State of California, as appropriate, against the successor contractor and, where applicable, its subcontractor, and may be awarded:

(1) Back pay for each day during which the violation continues, which shall be calculated at a rate of compensation not less than the higher of:

(A) The average regular rate of pay received by the employee during the last 3 years of the employee's employment in the same occupation classification; or

(B) The final regular rate received by the employee.

(2) Costs of benefits the successor contractor would have incurred for the employee under the successor contractor's (or subcontractor's, where applicable) benefit plan.

(b) If the employee is the prevailing party in any such legal action, the court shall award reasonable attorney's fees and costs as part of the costs recoverable.

(c) Compliance with this article shall be required in all City contracts to which it applies, and such contracts shall provide that violation of this article

shall entitle the City to terminate the contract and otherwise pursue legal remedies that may be available.

(d) Notwithstanding any provision of this Code or any other ordinance to the contrary, no criminal penalties shall attach for any violation of this article.

SECTION HISTORY

*Added by Ord. No. 170,784, Eff. 1-13-96.
Amended By: Ord. No. 171,004, Eff. 5-18-96.*

Sec. 10.36.4. Exemption for Successor Contractor or Subcontractor's Prior Employees.

An awarding authority shall upon application by a contractor or subcontractor exempt from the requirements of this article a person employed by the contractor or subcontractor continuously for at least twelve (12) months prior to the commencement of the successor service contract or subcontract who is proposed to work on such contract or subcontract as an employee in a capacity similar to such prior employment, where the application demonstrates that (a) the person would otherwise be laid off work and (b) his or her retention would appear to be helpful to the contractor or subcontractor in performing the successor contract or subcontract. Once a person so exempted commences work under a service contract or subcontract, he or she shall be deemed an employee as defined in Section 10.36.1(e) of this Code.

SECTION HISTORY

*Added by Ord. No. 170,784, Eff. 1-13-96.
Amended By: Ord. No. 171,004, Eff. 5-18-96.*

Sec. 10.36.5. Coexistence with Other Available Relief for Specific Deprivations of Protected Rights.

This article shall not be construed to limit an employee's right to bring legal action for wrongful termination.

SECTION HISTORY

*Added by Ord. No. 170,784, Eff. 1-13-96.
Amended By: Ord. No. 171,004, Eff. 5-18-96.*

Sec. 10.36.6. Expenditures Covered by this Article.

This article shall apply to the expenditure, whether through service contracts let by the City or by its financial assistance recipients, of funds entirely

within the City's control and to other funds, such as federal or state grant funds, where the application of this article is consonant with the laws authorizing the City to expend such other funds. City financial assistance recipients shall apply this article to the expenditure of non-City funds for service contracts to be performed in the City by complying themselves with § 10.36.2(g) and by contractually requiring their service contractors to comply with this article. Such requirement shall be imposed by the recipient until the City financial assistance has been fully expended.

SECTION HISTORY

*Added by Ord. No. 171,004, Eff. 5-18-96.
Amended by: Ord. No. 172,337, Eff. 1-14-99; Ord. No. 172,843, Eff. 11-4-99*

Sec. 10.36.7. Timing of Application of Ordinances Adding and then Amending this Article.

The provisions of this article as set forth in City Ordinance No. 171,004 shall apply to contracts consummated and financial assistance provided after May 18, 1996 (the effective date of City Ordinance No. 171,004). As for contracts consummated and financial assistance provided after the original version of this article took effect on January 13, 1996 (by City Ordinance No. 170,784) and through May 18, 1996, the City directs its appointing authorities and urges others affected to use their best efforts to work cooperatively so as to allow application City Ordinance No. 171,004 rather than City Ordinance No. 170,784 to service contracts let during such period. No abrogation of contract or other rights created by City Ordinance No. 170,784, absent consent to do so, shall be effected by the retroactive application of City Ordinance No. 171,004.

SECTION HISTORY

*Added by Ord. No. 171,784, Eff. 1-13-96.
Amended by: Ord. No. 171,004, Eff. 5-18-96; Ord. No. 172,337, Eff. 1-14-99.*

Sec. 10.36.8. Promulgation of Implementing Rules.

The City Council shall by resolution designate a department or office, which shall promulgate rules for implementation of this article and otherwise coordinate administration of the requirements of this article.

SECTION HISTORY

Added by Ord. No. 171,004, Eff. 5-18-96.

Sec. 10.36.9. Severability.

If any severable provision or provisions of this article or any application thereof is held invalid, such invalidity shall not affect other provisions or

applications of the article that can be given effect notwithstanding such invalidity.

SECTION HISTORY

Added by Ord. No. 171,004, Eff.5-18-96.

**ALTERNATIVE FUEL VEHICLE REQUIREMENT PROGRAM
(LAX ONLY)**

I. Definitions.

The following capitalized terms shall have the following meanings. All definitions include both the singular and plural form.

“Airport Contract” shall mean a contract awarded by LAWA and pertaining to LAX, and subcontracts of any level under such a contract.

“Airport Contractor” shall mean (i) any entity awarded an Airport Contract, and subcontractors of any level working under an Airport Contract; (ii) any contractors that have entered into a contract with an Airport Lessee to perform work on property owned by LAWA and pertaining to LAX, and any subcontractors working in furtherance of such a contract; and (iii) any contractor that have entered into a contract with an Airport Licensee to perform work pertaining to LAX, and any subcontractors working under such a contract.

“Airport Lessee” shall mean any entity that leases or subleases any property owned by LAWA and pertaining to LAX.

“Airport Licensee” shall mean any entity issued a license or permit by LAWA for operations that pertain to LAX.

“Alternative-Fuel Vehicle” shall mean a vehicle that is not powered by petroleum-derived gasoline or diesel fuel. Alternative-Fuel Vehicles include, but are not limited to, vehicles powered by compressed or liquefied natural gas, liquefied petroleum gas, methanol, ethanol, electricity, fuel cells, or other advanced technologies. Vehicles that are powered with a fuel that includes petroleum-derived gasoline or diesel are Alternative-Fuel Vehicles only if the petroleum-derived energy content of the fuel is no more than twenty percent (20%) of the total energy content of the fuel. Vehicles powered by dual fuel technologies are Alternative-Fuel Vehicles only if no more than twenty-percent (20%) of the fuel used by the engine comes from a petroleum-derived fuel. Vehicles powered by fuels that are derived from sources other than petroleum, but that can be used in conventional spark or combustion-ignition engines, are Alternative-Fuel Vehicles.

“CARB” shall mean the California Air Resources Board.

“Comparable Emissions Vehicle” shall mean a vehicle powered by an engine certified by CARB operating on petroleum-derived gasoline or diesel fuel that has criteria pollutant emissions less than or equal to a comparable alternative fuel engine.

“Covered Vehicles” is defined in Section II below.

“EPA” shall mean the United States Environmental Protection Agency.

“Independent Third Party Monitor” shall mean a person or entity empowered by LAWA to monitor compliance with and/or implementation of particular requirements in this policy.

“LAWA” shall mean Los Angeles World Airports.

“LAX” shall mean Los Angeles International Airport.

“Least-Polluting Available Vehicle” shall mean a vehicle that (i) is determined by an Independent Third Party Monitor to be (x) commercially available, (y) suitable for performance of a particular task, and (z) certified by CARB or EPA to meet the applicable engines emission standard in effect at the time of purchase; and (ii) is equipped with a retrofit device that reduces NOx emissions by at least twenty-five percent (25%) and reduces particulate matter by at least eighty-five percent (85%). Where more than one vehicle meets these requirements for a particular task, LAWA, working with the Independent Third Party Monitor, will designate as the Least-Polluting Available Vehicle the vehicle that emits the least amount of criteria air pollutants.

“Operator” shall mean any Airport Contractor, Airport Lessee, or Airport Licensee.

II. Covered Vehicles. The requirements under this Attachment shall apply to all on-road vehicles, including trucks, shuttles, passenger vans, and buses that are 8,500 lbs gross vehicle weight rating or more and are used in operations related to LAX (“**Covered Vehicles**”).

III. Conversion Schedule.

- A. By January 31, 2010, fifty percent (50%) of the Covered Vehicles operated by an Operator shall be Alternative-Fuel Vehicles or Comparable Emissions Vehicles.
- B. By January 31, 2015, one hundred percent (100%) of the Covered Vehicles operated by an Operator shall be Alternative-Fuel Vehicles or Comparable Emissions Vehicles.

IV. Least-Polluting Available Vehicles. In cases where an Operator cannot comply with the requirements established pursuant to Section III above because neither Alternative-Fuel Vehicles nor Comparable Emissions Vehicles are commercially available for performance of particular tasks, LAWA will instead require Operators to use Least-Polluting Available Vehicles for such tasks. An Independent Third Party Monitor will determine on an annual basis whether Alternative-Fuel Vehicles or Comparable Emissions Vehicles are commercially available to perform particular tasks, and, in cases where Alternative-Fuel Vehicles are not commercially available for performance of a particular task, will identify the Least-Polluting Available Vehicle for performance of that task.

V. Written Reports. Operator shall complete and submit to LAWA the vehicle information required on the reporting form accessible on-line at <https://sbo.lawa.org/altfuel> on a semi-annual basis. The reporting form may be amended from time to time by LAWA.

LOS ANGELES ADMINISTRATIVE CODE

Div. 10, Ch. 1, Art. 1

CHILD SUPPORT

Sec. 10.10. Child Support Assignment Orders.

a. Definitions.

1. **Awarding Authority** means a subordinate or component entity or person of the City (such as a City department or Board of Commissioners) that has the authority to enter into a contract or agreement for the provision of goods or services on behalf of the City of Los Angeles.

2. **Contract** means any agreement, franchise, lease or concession including an agreement for any occasional professional or technical personal services, the performance of any work or service, the provision of any materials or supplies, or the rendering of any service to the City of Los Angeles or to the public which is let, awarded or entered into with, or on behalf of, the City of Los Angeles or any awarding authority thereof.

3. **Contractor** means any person, firm, corporation, partnership or any combination thereof which submits a bid or proposal or enters into a contract with any awarding authority of the City of Los Angeles.

4. **Subcontractor** means any person, firm, corporation, partnership or any combination thereof who enters into a contract with a contractor to perform or provide a portion of any contract with the City.

5. **Principal Owner** means any person who owns an interest of 10 percent or more in a contractor or subcontractor as defined herein.

b. Mandatory Contract Provisions.

Every contract that is let, awarded or entered into with or on behalf of the City of Los Angeles shall contain a provision obligating the contractor or subcontractor to fully comply with all applicable State and Federal employment reporting requirements for the contractor or subcontractor's employees. The contractor or subcontractor will also be required to certify that the principal owner(s) thereof are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them

personally, that the contractor or subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family Code §§ 5230 *et seq.* and that the contractor or subcontractor will maintain such compliance throughout the term of the contract.

Failure of a contractor or subcontractor to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignments or Notices of Assignment or failure of the principal owner(s) to comply with any Wage and Earnings Assignments or Notices of Assignment applicable to them personally shall constitute a default under the contract. Failure of the contractor or subcontractor or principal owner thereof to cure the default within 90 days of notice of such default by the City shall subject the contract to termination.

c. Notice to Bidders.

Each awarding authority shall be responsible for giving notice of the provisions of this ordinance to those who bid on, or submit proposals for, prospective contracts with the City.

d. Current Contractor Compliance.

Within 30 days of the operative date of this ordinance, the City, through its operating departments, shall serve upon existing contractors a written request that they and their subcontractors (if any) comply with all applicable State and Federal employment reporting requirements for the contractor and subcontractor's employees, that they certify that the principal owner(s) of the contractor and any subcontractor are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally, that the contractor and subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family Code § 5230 *et seq.* and that the contractor and subcontractor will maintain such compliance throughout the term of the contract.

e. City's Compliance with California Family Code.

The City shall maintain its compliance with the provisions of California Family Code §§ 5230 *et seq.* and all other applicable law regarding its obligations as an employer to implement lawfully served Wage and Earnings Assignments and Notices of Assignment.

f. Report of Employees' Names to District Attorney.

1. The City shall maintain its current practice of assisting the District Attorney's support enforcement activities by annually reporting to the Los Angeles County District Attorney the names of all of its employees and retirees so that the District Attorney may identify those employees and retirees subject to Wage and Earnings Assignment Orders and Notices of Assignment and may establish court orders for support, where appropriate. Should the District Attorney so request it, the City will provide such information on a more frequent basis.

2. All applicants for employment with the City of Los Angeles will be asked to acknowledge their responsibility to comply with any court ordered support obligations and will be advised of the City's practice of assisting the District Attorney as described in the provisions of Subsection f.1., above.

SECTION HISTORY

Added by Ord. No. 172,401, Eff. 2-13-99.