

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SANITATION
BUREAU OF CONTRACT ADMINISTRATION
JOINT BOARD REPORT NO. 1
DECEMBER 4, 2024

CD: ALL

AUTHORITY TO AWARD AND EXECUTE A SOLE SOURCE PERSONAL SERVICES CONTRACT WITH LEGACY BY-PRODUCTS, L.L.C., FOR DEAD ANIMAL COLLECTION, DISPOSAL, AND/OR PROCESSING (W.O. #S02MANIM)

RECOMMENDATIONS

1. Approve and forward this report with transmittals to the Mayor and City Council with the request that the Board of Public Works (Board) be authorized to execute a sole source personal services contract with Legacy By-Products, L.L.C. (Legacy) for animal carcass collection, disposal, and/or processing services. The term of the proposed agreement shall be three (3) years from the date of execution, with one (1) option to renew for two (2) additional years for a total of five years.
2. Upon approval by the Mayor and City Council, authorize the President or two (2) members of the Board to execute the contract.

TRANSMITTALS

1. Copy of the proposed Personal Services Contract between the City of Los Angeles (City) and Legacy for dead animal processing and recovery services and exhibits package.

FISCAL IMPACT STATEMENT

There is no General Fund impact resulting from the execution of this contract. This contract is funded by the Solid Waste Resources Revenue Fund, Fund 508.

DISCUSSION**Background**

In the interest of Public health and safety, LASAN provides curbside collection service of dead animals for approximately 3.8 million residents. These dead animals are collected from residential homes, public streets, alleys, waterways, and City-operated animal shelters and parks. Dead animals include small animals (under 400 pounds), which are collected by LASAN crews and large animal carcasses (greater than 400 pounds), which are collected by the City's current dead animal processor, Legacy (Other Business Enterprise (OBE)), under a Letter of Agreement, AE#25508972M.

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LASAN currently deploys seven (7) individual employees, from 7:00 a.m. to 7:00 p.m., seven (7) days a week, to provide animal carcass collection throughout the City. These individuals respond to carcass collection calls that are received through the LASAN Customer Call Center, the City's 311 call center, Los Angeles Fire Department, Los Angeles Police Department, and other sources. The City receives an average of one hundred (100) requests per day for dead animal collection. All dead animal collection calls are processed within twenty-four (24) hours from the time the call is received in efforts to protect public health and safety.

Legacy has multiple short term LOA's with LASAN (AE#21508009M, AE#22508315M, AE#23508633M, AE#24508879M, AE#25508972M) for the continued processing and recovery of dead animals from the City. LASAN now seeks to extend Legacy's services by establishing a three (3)-year sole source contract with Legacy, with a two (2)-year renewal option, for the disposal and/or processing and recovery of dead animals coming from LASAN crews and City facilities. Animal carcass disposal and/or processing and recovery is a critical service to the City and must be retained for the health and safety of the public.

Proposed Pricing Methods

Legacy proposes two (2) pricing structures for two (2) distinct commodities. The first rate is for the disposal and rendering services of animal carcasses at \$500.00 for disposal. The second rate is for large animal carcasses that the City is unable to collect and that require a special pickup by the contractor at \$280.00 per pickup (\$50.00 for each additional large carcass at the same location).

After a review of the tonnage levels of dead animal carcasses for the most recent twelve (12)-month period, it has been determined that the average monthly tonnage during this period of time is approximately fourteen (14) tons, which equates to \$7,000.00 per month on average under these pricing structures.

Scope of Services

Legacy will be required to perform the following, as detailed in the proposed contract (Transmittal No. 1):

- Provide a receiving facility for City personnel to deliver animal carcasses and any commingled food scrap/yard trimmings, collected by the City;
- Consolidate and transfer dead animal carcasses for burial at a permitted landfill until the facility meets compliance for the rendering process to turn the material into beneficial end products;
- Provide well-maintained facilities and equipment; and
- Comply with all Federal, State, County, and local rules, ordinances, laws, and permit terms applicable to the facility, services, and operations described in the contract.

After careful consideration, LASAN recommends entering into a contract with Legacy for the provision of the dead animal disposal and/or processing and recovery services for the City.

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Sole Source Justification

LASAN personnel made phone call inquiries to three landfills permitted to receive dead animals (Waste Management El Sobrante, Waste Management Simi Valley and Athens Mid Valley), one anaerobic digestion facility (CR&R), and all 5 licensed renderers listed by the State of California Department of Food and Agriculture Poultry Division and located in the Southern California (SoCal) region, to request information about the type of dead animal materials accepted by each of the facilities. The five (5) renderers contacted were: Legacy By-Products, L.L.C. (Legacy), Coast Packing Co., Clougherty Packing, L.L.C., Darling Ingredients, Inc., and Baker Commodities, Inc.

Other than Legacy, no other facilities in the SoCal region accept the types of dead animals collected by LASAN crews for processing and recovery because they may contain the chemical Sodium Pentobarbital, commonly used as a euthanizing agent for animals. The four rendering facilities other than Legacy expressed concern that Sodium Pentobarbital could pass through their rendering processes into the final products and contaminate water and/or animal food supplies. As a result, all SoCal licensed renderers other than Legacy only accept *farm* animal carcasses in their facilities, because they produce animal feed supplements and must ensure that no such chemical will pass into their final product. Legacy is also permitted to receive dead animal materials for consolidation and transfer to the permitted landfills.

The El Sobrante landfill does accept dead animals for disposal as it is specially lined to prevent such chemicals from entering the water table. However, it only accepts dead animal loads between the hours of 9:00 PM to 6:00 AM, at which time Dead Animal Recovery (DAR) drivers are unavailable, and imposes a minimum tonnage of 15 tons per delivered load. This exceeds the amount that the City's DAR program collects in a two-week period and is unable to be stockpiled without posing significant health and safety risks to DAR drivers and others who may work where trucks are located.

The Simi Valley landfill accepts dead animals for disposal, but only larger livestock animals. The landfill does not accept smaller companion animals such as dogs, cats, and other pets which are a large portion of what is collected in the DAR program.

The Athens landfill accepts dead animals for disposal during daytime hours without minimum load requirements, but the drive to this location is about two hours each way, and would require dead animals to be transferred from the LASAN DAR collection trucks directly to larger trucks for storage and transportation, which poses legal, logistical, and safety challenges to LASAN personnel, as well as odor issues to nearby residential neighborhoods.

The CR&R anaerobic digestion facility is able to process and recover dead animal materials, but their management has made a decision not to accept dead animal materials into their facility to prevent issues with their conditional use permit.

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Given the above limitations, none of these options are currently tenable as a long-term solution to the disposal of dead animals. Legacy is the only vendor in the Southern California region able and willing to accept the type of dead animals collected by the City of Los Angeles DAR Program, can consolidate them for disposal, and which does not pose legal, logistical, safety, and/or odor issues to DAR workers and nearby residents. LASAN submits that the foregoing justifies the Board making the necessary findings to award this contract as a sole source.

As the current provider of services for the City, Legacy has demonstrated the qualifications and track record to perform the services requested. LASAN desires to retain this contractor to continue to provide dead animal disposal and/or processing and recovery services for the City.

Proposed Term of Agreement and Estimated Costs

The term of the proposed contract shall be for three (3) years from the date of execution, with one (1) option to renew for two (2) additional years (Transmittal No. 1). In addition to the one (1) two (2)-year renewal option, the CITY may elect to extend the agreement on a month-to-month basis for a maximum of six (6) months, during which period the CITY and the Contractor shall continue performance under the terms of the agreement. The City may extend the agreement on a month-to-month basis prior to the end of either the initial three (3)-year term, if the City elects not to renew, or the end of the five (5)-year term if the City elects to renew, by providing the Contractor written notice at least ninety (90) days prior to expiration of the agreement. During the period of extension, the City may increase the expenditure amount for services performed by the Contractor by a maximum of ten percent (10%) of the total contract cost.

The cost ceiling for this contract is in the amount of \$283,500 for the entire 3-year term of the contract. The cost ceiling will be automatically increased to \$472,500 if the contract is renewed for an additional two (2) years.

Business Inclusion Program

The Office of Procurement, Office of the City Administrative Officer has determined that due to the sole source nature of this opportunity it is not subject to the Business Inclusion Program.

Community-Level Contracting (CLC)

As part of the City's CLC initiative led by the Department of Public Works (DPW), DPW seeks to help make City contracting more accessible and equitable by providing small contractors the opportunity to work directly with the City as Prime contractors on smaller, more manageable projects. LASAN staff evaluated the work to be performed under this opportunity and determined the project is not a candidate for CLC due to the sole-source nature of the work.

Notification of Intent to Contract

The required Notification of Intent to Contract was filed with the City Administrative Office (CAO) Clearinghouse on May 23, 2017.

Charter Section 1022

The CAO determined that it is more feasible to contract out the work than to hire additional City staff to perform these services.

Other City Requirements

Legacy shall comply with all City requirements, including the following:

- Non-Discrimination/Equal Employment Practices/Affirmative Action
- Insurance/Performance Bond Requirements
- Business Tax Registration Certificate
- Child Support Obligations Ordinance
- Equal Benefits Ordinance
- Living Wage and Worker Retention Ordinances
- Slavery Disclosure and Disclosure of Border Wall Contracting Ordinances
- Los Angeles Residence Information
- City of Los Angeles Contract History
- Municipal Lobbying Ordinance
- Americans with Disabilities Act
- Non-Collusion Affidavit
- First Source Hiring Ordinance
- Contract Bidder Campaign Contribution and Fundraising Restrictions
- Iran Contracting Act of 2010 Affidavit
- Contractor's Use of Criminal History for Consideration of Employment Applications Ordinance

Contractor Performance Evaluation

In accordance with Article 13, Chapter 1, Division 10 of the City's Administrative Code, the appropriate City personnel responsible for the quality control of this sole source personal services contract shall submit Contractor Performance Evaluation Reports to the Bureau of Contract Administration, upon completion of the contract.

Contractor Responsibility Ordinance

All contractors participating in this program are subject to compliance with the requirements specified in the City of Los Angeles' Contractor Responsibility Ordinance #173677, (Article 14, Chapter 1, Division 10, L.A.A.C.). Failure to comply with all requirements specified in the Ordinance will render the contract subject to termination pursuant to the conditions expressed therein.

Headquarters and Workforce Information

The headquarters for Legacy is located at 4105 Bandini Boulevard, Vernon, CA 90058. Legacy owners, principals, and employees are not City employees nor City officials. Legacy has a total of eight (8) employees, two of whom (2), reside within the City.

Contract Administration

The responsibility for the administration of this contract will be with the Solid Resource Support Services Division of LASAN.

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PROJECT REVIEW BY DIRECTOR (PRD) APPROVAL

The project budget was approved by PRD on October 7, 2020, in the amount of \$472,680.

STATUS OF FINANCING

There is no impact to the General Fund. The total funding for this project is not to exceed \$472,680. Funding for Fiscal Year 2024-25 in the amount of \$120,000 is available in the Fund No. 508, Solid Waste Resources Revenue Fund, Department No. 50, Appropriation Account No. 50AX82, PW-Sanitation Expense & Equipment. The remaining funding will be budgeted within the Fund No. 508, Solid Waste Resources Revenue Fund.

Funds and appropriations for future fiscal years are not yet identified and existing appropriations may change based on available cash balances. Therefore, funds and appropriations will be determined by the Director and General Manager of LASAN.

Funding as of the date of this Board Report has been verified and approved by the Director of the Office of Accounting subject to terms and conditions and cash availability described above.

Notwithstanding any other provision of this Contract, including any exhibits or attachments incorporated therein, and in order for the City to comply with its governing legal requirements, the City shall have no obligation to make any payments to the Contractor unless the City shall have first made an appropriation of funds equal to or in excess of its obligation to make any payments as provided in this Contract.

The Contractor agrees that any services provided by the Contractor, purchases made by the Contractor or expenses incurred by the Contractor in excess of the appropriation(s) shall be free and without charge to the City and the City shall have no obligation to pay for the services, purchases or expenses. The Contractor shall have no obligation to provide any services, provide any equipment, or incur any expense in excess of the appropriation, amount(s) until the City appropriates additional funds for this Contract.

FUTURE ACTIONS

Upon authorization by the Council and the Mayor, the Board will execute the contract with Legacy By-Products, LLC.

(Signature page follows)

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Respectfully Submitted,



BARBARA ROMERO
Director and General Manager
Bureau of Sanitation

COMPLIANCE REVIEW PERFORMED
AND APPROVED BY:



Lynda McGlinchey (Nov 21, 2024 18:37 PST)

LYNDA McGLINCHEY, Program Manager II
Office of Contract Compliance
Bureau of Contract Administration



Raoul Mendoza (Nov 21, 2024 19:29 PST)

JOHN L. REAMER, JR.
Inspector of Public Works
Bureau of Contract Administration

REVIEWED AND APPROVED BY:



Sarai Bhaga (Nov 13, 2024 22:17 PST)

SARAI BHAGA, Chief Financial Officer
Bureau of Sanitation
Date: _____

APPROVED AS TO FUNDS:



MIGUEL DE LA PEÑA, Director
Office of Accounting
508/50/50AX82/\$120,000
Date: 11/22/2024

Prepared by:
Nat Isaac, SRSSD
(213) 485-3593

CONTRACT NO. C-

**SERVICE AGREEMENT
BETWEEN**

THE CITY OF LOS ANGELES

AND

LEGACY BY-PRODUCTS, L.L.C.

**FOR DEAD ANIMAL COLLECTION, DISPOSAL AND/OR PROCESSING
SERVICES**



**City of Los Angeles
Department of Public Works
Los Angeles Sanitation & Environment**

**Barbara Romero, Director and General Manager
Alex E. Helou, Assistant Director**

**Solid Resources Support Services Division
Cecile Buncio, Division Manager**

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EXHIBIT 11	LEGACY RULES AND REGULATIONS

**AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND LEGACY
BY-PRODUCTS, L.L.C. FOR DEAD ANIMAL COLLECTION, DISPOSAL
AND/OR PROCESSING SERVICES**

This AGREEMENT is made and entered into by and between the City of Los Angeles, a municipal corporation (hereinafter refer to as “CITY”), acting by order of and through its Board of Public Works, Bureau of Sanitation (“LASAN”) and Legacy By-Products, L.L.C. (hereinafter referred to as the “CONTRACTOR”), and is set forth as follows:

WITNESSETH

WHEREAS, LASAN provides curbside service for the collection of dead animals to 3.8 million residents from several CITY animal shelters, public streets, individual residences, and public parks through the City’s Dead Animal Recovery (DAR) program; and

WHEREAS, DAR services are required for the sanitary disposal of dead animals; and

WHEREAS, once loaded onto LASAN DAR trucks, dead animals can only be accepted by and/or transferred at landfills, transfer stations, or processing facilities that are permitted to accept and/or facilitate the transfer of dead animals; and

WHEREAS, within the Southern California region, there exist only three permitted landfills capable of accepting dead animals for burial, namely the El Sobrante Landfill (ESL) in Riverside, California and the Simi Valley Landfill (SVL) in Simi Valley, California, both operated by Waste Management, Inc., and the Mid-Valley Landfill (MVL) in Rialto, California, owned and operated by Arakelian Enterprises, d.b.a. Athens Services, all three of which are located 1.5 to 2 hours driving distance each way from the City of Los Angeles, and all of which impose strict requirements that currently prevent the City from entering into contractual agreements for delivery of dead animals to their facilities on terms that are reasonably practicable for the City; and

WHEREAS, ESL exclusively accepts dead animal loads between the hours of 9:00 pm to 6:00 am, which is inconsistent with the operating hours of the City’s DAR trucks, and requires a minimum weight of 15 tons per delivery, which exceeds the weight of dead animals collected by LASAN in a two-week period and would therefore require the CITY to collect and store multiple truckloads of animal carcasses for an extended period prior to disposal, which the CITY is not able to do; and

WHEREAS, SVL only accepts large farm animals and livestock, but does not accept smaller companion animals which the CITY collects through its DAR program; and

WHEREAS, MVL requires a minimum of 24 hours' notice prior to each direct delivery of a dead animal load for disposal, which, coupled with its far distance from the City, makes it impractical and costly to utilize as a disposal option; and

WHEREAS, for the foregoing reasons, it is not feasible or practical for the CITY to deliver dead animals directly to ESL, SVL, or MVL; and

WHEREAS, there are currently no transfer stations in Southern California permitted to allow dead animal transfer from each of the six LASAN DAR trucks to a larger truck, thus necessitating that each of the six LASAN DAR trucks individually deliver their loads directly to a landfill or processing facility that is permitted to accept animal carcasses (daily to MVL or biweekly to ESL); and

WHEREAS, any attempts to consolidate animal carcasses from the six LASAN DAR trucks into a larger truck would require manual transfer by hand, should this be done at a facility that lacks the necessary permits, which would be operationally and practically difficult and not in the City's best interests; and

WHEREAS, Legacy By-Products, L.L.C., (CONTRACTOR) is able to accept dead animals from the CITY's DAR trucks in accordance with the CITY's operational needs; and

WHEREAS, the CITY previously entered into a Letter of Agreement with the CONTRACTOR under an Authority for Expenditure (AE24508869M), which was executed on July 1, 2023 and which expired on June 30, 2024; and

WHEREAS, the CONTRACTOR has been providing the CITY with excellent dead animal processing and recovery services over the past few years; and

WHEREAS, in 2020 the County of Los Angeles Department of Animal Care and Control conducted a thorough outreach to businesses in Southern California seeking Dead Animal Disposal Services, with the only response received from the CONTRACTOR; and

WHEREAS, in late June 2023, LASAN staff surveyed all five California State licensed dead animal rendering facilities between Fresno and San Diego. The results of

the LASAN survey revealed that of these rendering facilities, only the CONTRACTOR was able and willing to accept all the types of dead animals generated by the CITY effective July 1, 2024; and

WHEREAS, in late June 2024 the CONTRACTOR notified the City that it had decided to halt its rendering operations; and

WHEREAS, the CONTRACTOR's permitted facility remains capable of accepting dead animals for consolidation into larger trucks that can transport the remains to permitted landfills for disposal, adhering to the stringent operational standards enforced by the landfills; and

WHEREAS, utilizing the CONTRACTOR's ability to transfer dead animals to landfills is the most viable and economical solution for the CITY's DAR program to sustain uninterrupted collection and disposal services for dead animals within the CITY; and

WHEREAS, the CONTRACTOR possesses the required expertise, equipment, and ability at the location to complete required tasks; and

WHEREAS, the CONTRACTOR's services are deemed to be vital to meet the CITY's commitment to protecting the public health and environment, and maintaining safe work environments and efficient operations; and

WHEREAS, the CONTRACTOR will provide a unique and technical service for a temporary duration, for which the use of competitive bidding for such services is not practical or advantageous, nor reasonably practicable or compatible with the CITY's interests. Thus, per Los Angeles City Charter section 371(e)(2) and section 372, this agreement is exempt from competitive bidding and competitive proposal; and

WHEREAS, by affixing the CONTRACTOR's signature to this agreement, the CONTRACTOR agrees to adhere to the Non-Discrimination, Equal Employment Practices and Affirmative Action Program Provisions for the duration of this contract and also acknowledges their responsibility to comply with the Non-Discrimination, Equal Employment Practice and Affirmative Action provisions as shown in the attachment to this agreement; and

WHEREAS, for the foregoing reasons, the CITY entered into a Letter of Agreement with the CONTRACTOR under an Authority for Expenditure (AE25508972M) to cover services from July 1, 2024 through the earlier of September 30,

2024 or the execution of this Agreement, in order for the City to continue receiving the CONTRACTOR's services while this Agreement was being considered;

NOW, THEREFORE, in consideration of the foregoing and of the benefits which will accrue to the parties hereto in carrying out the terms and conditions of this agreement, it is understood and agreed by and between the parties hereto as follows:

ARTICLE 1 – CONSTRUCTION OF PROVISIONS AND TITLES HEREIN

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

ARTICLE 2 – DEFINITIONS

It is understood that the following words and phrases are used herein, and that each shall have the meaning set forth opposite the same:

AGREEMENT/CONTRACT	This contractual agreement between the CITY and Legacy By-Products, L.L.C. for dead animal COLLECTION, DISPOSAL and/or PROCESSING services.
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APPLICABLE LAWS	All statutes, rules, regulations, permits, requirements or orders of the United States, State of California, CITY, County of Los Angeles, and all other federal, state, regional, county, and local government authorities and agencies having applicable jurisdiction, that apply to or govern the FACILITY, the FACILITY LOCATION, or the performance of the CONTRACTOR'S and CITY'S respective obligations under this AGREEMENT.
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BOARD	The Board of Public Works of the City of Los Angeles.
CALENDAR DAY	Each day beginning at 12:01 a.m. and ending twenty-four (24) hours thereafter at 12:00 midnight.
CERTIFIED WEIGH STATION	A FACILITY operating a weigh scale for large vehicles that is in compliance with the Weight and Measure laws in the California Business and Professions Code, and operated by a licensed weigh master. The FACILITY scale shall also bear a seal of approval by a county sealer of weights and measures under the supervision and direction of the Secretary of Food and Agriculture.
CITY	The City of Los Angeles, Board of Public Works or its subordinate Bureaus. Depending on the context in which it is used, the term CITY may also refer to the geographic area known as the City of Los Angeles, the City Council, other Departments of the City of Los Angeles, or any person employed by the City of Los Angeles who is authorized to represent the City of Los Angeles, such as the CITY PROJECT MANAGER, in manners concerning this AGREEMENT.
CITY PROJECT MANAGER	The CITY'S designated representative for all issues related to this AGREEMENT.
COLLECTION	Removal of dead animals from a particular area within the CITY for PROCESSING and/or DISPOSAL.
COLLECTED MATERIALS	Dead animal carcasses that are delivered to the FACILITY by CITY-owned vehicles or by other vehicles that are approved by the CITY PROJECT MANAGER for collection of LARGE CARCASSES as delivered by the CONTRACTOR on behalf of the CITY.
CONTAMINATION	All materials delivered with COLLECTED MATERIALS that do not constitute dead animals.

CONTRACTOR	Legacy By-Products, L.L.C.
CONTRACTOR’S PROJECT MANAGER	An appointed representative from Legacy By-Products, L.L.C. authorized to act on behalf of the CONTRACTOR’S interest on all matters of this AGREEMENT.
DIRECTOR	Director of LASAN or his/her designated representative.
DISPOSAL	The transfer of any COLLECTED MATERIALS from the FACILITY to other locations for further PROCESSING and/or permanent storage.
FACILITY or FACILITY LOCATION	The receiving area of the CONTRACTOR, located at 4105 Bandini Boulevard, Vernon, California 90058.
HOLIDAYS	New Year’s Day, Independence Day, Labor Day, Thanksgiving, Christmas, and other holidays officially designated and observed as such by the CITY.
LASAN	LA Sanitation and Environment, Bureau of Sanitation, Department of Public Works, City of Los Angeles.
LARGE CARCASSES	Animal carcasses (i.e. – horses, cows, deer, etc.) that LASAN deems too large for the CITY’s DAR program collection vehicles and equipment and that necessitates the services of the CONTRACTOR for collection and DISPOSAL.
MONITOR/MONITORING	The observing, documenting, and reporting of all PROJECT-related activities as defined in ARTICLE 4.
PROCESS/PROCESSED/ PROCESSING	The conversion of COLLECTED MATERIALS into a beneficial product as stated in ARTICLE 4, Section 4.6.
PROJECT	The receiving and PROCESSING of COLLECTED MATERIALS in accordance with all applicable

permits and environmental laws as specified in ARTICLE 3.

RECOVERY

The sale, transfer, or application of a beneficial product made from a PROCESS for use in a specific purpose.

TON

2,000 pounds.

WEIGHT TICKET

Receipt for COLLECTED MATERIALS weighed at the CONTRACTOR'S CERTIFIED WEIGH STATION.

ARTICLE 3 – PROJECT DESCRIPTION

LASAN is responsible for the management of solid resources through collection, recycling, and disposal of refuse, organics, recyclables, horse manure, dead animals, bulky items, and other special wastes. The collection of these solid resources is accomplished using a fleet of over 800 heavy-duty vehicles deployed within six (6) wastesheds: East Valley, West Valley, North Central, South Los Angeles, West Los Angeles, and Harbor. This PROJECT specifically addresses the collection and DISPOSAL of dead animals and shall consist of the following:

- 3.1 The CONTRACTOR shall provide the FACILITY for CITY personnel to deliver COLLECTED MATERIALS.
- 3.2 CITY staff, in CITY vehicles, will collect and deliver COLLECTED MATERIALS from the CITY to the FACILITY. Alternatively, with approval from the CITY PROJECT MANAGER, the CONTRACTOR will collect and deliver LARGE CARCASSES to the FACILITY.
- 3.3 The CONTRACTOR is responsible for PROCESSING and/or DISPOSAL of the COLLECTED MATERIALS in accordance with APPLICABLE LAWS, rules, regulations, and permit conditions of federal, state, and local agencies.

ARTICLE 4 – RESPONSIBILITIES AND TASKS TO BE PERFORMED BY THE CONTRACTOR

- 4.1 The CONTRACTOR shall perform work with a degree of skill and diligence normally employed by contractors performing the same or similar services.

- 4.2 The CONTRACTOR shall appoint a project manager to coordinate and supervise the work to be performed under the terms of this AGREEMENT (hereinafter referred to as the "CONTRACTOR'S PROJECT MANAGER"). The CONTRACTOR'S PROJECT MANAGER shall have full authority to act on behalf of the CONTRACTOR at all times to carry out the provisions of this AGREEMENT. In the event of a substitution of the CONTRACTOR'S PROJECT MANAGER, the CONTRACTOR shall immediately notify the CITY PROJECT MANAGER in writing of this substitution.
- 4.3 The CONTRACTOR shall provide the facility for CITY collection vehicles to drop off COLLECTED MATERIALS.
- 4.4 The CONTRACTOR shall use their own vehicles to collect large carcasses (i.e., animal carcasses that exceed the capacity of the CITY collection vehicle and equipment). Upon notification of a large carcass pickup that exceeds the capacity of the CITY collection vehicle and equipment, LASAN DAR program supervisors and/or CITY PROJECT MANAGER will contact the CONTRACTOR to schedule a large carcass pickup. The CONTRACTOR shall make the collection of the large carcass within 24 hours of the request. The CONTRACTOR will record the name and phone number of the caller, the date and time of the call, and the location of the carcass and include this information on the monthly invoice to the CITY.
- 4.5 The CONTRACTOR shall issue WEIGHT TICKETS via the CONTRACTOR'S CERTIFIED WEIGH STATION, to all CITY personnel who deliver COLLECTED MATERIALS with a CITY collection vehicle, immediately after the delivery is completed. WEIGHT TICKETS shall include the following information: FACILITY LOCATION, date, ticket number, vehicle ID number, gross weight, tare weight, net weight, load type, driver's signature (unless approved by the CITY PROJECT MANAGER), and if applicable, a barcode label containing all the aforementioned information. WEIGHT TICKETS will be used to calculate monthly invoice payments. The CONTRACTOR shall notify all CITY DAR truck drivers to sign their weight tickets. When unsigned weight tickets are discovered, the CONTRACTOR shall alert the CITY PROJECT MANAGER OR DAR supervisor within five business days of this issue. CITY will not pay for those loads that do not have a receipt signed by CITY personnel who deliver COLLECTED MATERIALS or those loads that the CONTRACTOR failed to notify the CITY PROJECT MANAGER or DAR supervisor within five business days of identifying the unsigned weight tickets.

- 4.6 The CONTRACTOR shall provide onsite receiving and washout areas for CITY collection vehicles at no additional cost to the CITY.
- 4.7 As a course of regular business, CONTRACTOR shall dispose of COLLECTED MATERIALS received from the CITY in compliance with all applicable rules and regulations calculating monthly invoices using the Dead Animal Landfill Disposal Cost set forth in Article 11 below.
- 4.8 In the event that CONTRACTOR decides to resume regular beneficial reuse processing operations, CONTRACTOR shall notify the CITY's Project Manager within 24 hours of resuming such operations. CONTRACTOR shall thereafter process all COLLECTED MATERIALS by means of beneficial reuse, which includes but is not limited to, rendering, thermal hydrolysis process, sterilization, gasification, or any new technology, and/or a combination thereof that converts the COLLECTED MATERIALS into beneficial end products, calculating monthly invoices using the Dead Animal Rendering Cost set forth in the Terms of Compensation below. In the event CONTRACTOR is again temporarily unable to process dead animal material by means of beneficial reuse, CONTRACTOR shall notify the CITY's Project Manager within 24 hours of discontinuation of regular process and CONTRACTOR shall provide disposal services to the City.
- 4.9 The CONTRACTOR shall take possession and assume sole responsibility for storing, PROCESSING, and/or DISPOSING all COLLECTED MATERIALS received from the CITY and all LARGE CARCASSES collected on behalf of the CITY, and shall also provide for the loading, transporting, and DISPOSING of COLLECTED MATERIALS any and all PROCESS end-products or residue to landfill or other legitimate end points at no additional cost to the CITY, except those costs described in Article 11.
- 4.10 The CONTRACTOR shall receive deliveries of COLLECTED MATERIALS and provide pickup services of large dead animals on an as-needed basis, Monday through Friday, between the hours of 4:00 a.m. and 4:00 p.m., and all Saturdays between the hours of 4:00 a.m. and 2:00 p.m. All holiday hours are 7:00 a.m. and 2:00 p.m. Upon request, the CONTRACTOR shall provide the CITY's Project Manager with a schedule of hours to receive COLLECTED MATERIALS prior to each Federal and State holiday.
- 4.11 The CONTRACTOR shall be responsible for providing and maintaining all necessary equipment at its FACILITY.

- 4.12 The CONTRACTOR shall employ staff, equipment, materials, supplies, and services to operate, maintain, and manage the FACILITY LOCATION in accordance with generally accepted skills and practices of similar facilities.
- 4.13 The CONTRACTOR agrees that the FACILITY LOCATION and equipment used for the performance of this AGREEMENT is subject to reasonable inspections, during normal working hours, by CITY personnel or its agents without prior notice. Said inspections shall be for the purpose of ensuring compliance with the terms of this AGREEMENT and APPLICABLE LAWS. The CONTRACTOR must always accompany CITY personnel while on-site. The CITY shall also have the right, at its expense, to station its representative at any motor vehicle scale or the scale house at the FACILITY LOCATION to MONITOR weighing operations, verify recorded tare weights of CITY delivery vehicles, and inspect scale accuracy.
- 4.14 The CONTRACTOR shall be responsible for maintaining sufficient capacity to accommodate the demands of this agreement. CONTRACTOR agrees to accept all COLLECTED MATERIALS.
- 4.15 In the event the FACILITY becomes non-operational, the CONTRACTOR shall allocate space for the CITY to place a CITY-owned sealable roll-off dumpster (or the like) at the FACILITY and to allow the CITY the ability to transload carcasses into that dumpster and/or to CITY owned transport vehicles at no charge to the CITY, for disposal by CITY crews at a CITY contracted landfill until the FACILITY either becomes operational again or permanently closes.
- 4.16 The CONTRACTOR certifies that all processing and disposal utilized at its FACILITY will comply with APPLICABLE LAWS. The CONTRACTOR further certifies that all finished products of which dead animal carcasses are a component will meet all applicable local, state, and federal specifications and other APPLICABLE LAWS. The CITY will not be held responsible for, and disclaims any resulting liability thereof, for the CONTRACTOR's failure to comply with APPLICABLE LAWS, the result of which is not, in whole or in part, due to the negligence or willful misconduct of the CITY, its agents, or employees.
- 4.17 No later than thirty (30) days after the conclusion of each calendar month, the CONTRACTOR shall submit a report to the CITY PROJECT MANAGER via compact disc, email, or other electronic format acceptable to the CITY, providing the CITY with a monthly record of all deliveries, which shall be used as the basis for determining payment (Article 11). Such monthly reports must contain the

following information:

For COLLECTED MATERIALS delivered by CITY:

- A. Name of FACILITY LOCATION where the CITY load was received.
- B. Type of PROCESSING and/or DISPOSAL method applied to COLLECTED MATERIAL.
- C. WEIGHT TICKET(s) information for the month: for all CITY vehicles depositing COLLECTED MATERIALS, including ticket number, date, five-digit CITY collection vehicle number, gross weight, tare weight, net weight, and driver's signature (unless approved by the CITY PROJECT MANAGER) throughout the month.
- D. Total number of loads received per month
- E. Total number of load types received per month.
- F. Total monthly net tonnage of COLLECTED MATERIALS received at the FACILITY LOCATION by type.

For LARGE CARCASSES collected by CONTRACTOR:

- A. Name of the FACILITY LOCATION where the carcass was received.
- B. Date.
- C. Address of carcass collection.
- D. Type of animal.
- E. Total number of carcasses collected.
- F. Type of DISPOSAL and/or PROCESSING method applied to COLLECTED MATERIAL.

The CITY shall not be required to pay the CONTRACTOR for COLLECTED MATERIALS for which the CONTRACTOR does not provide the above information. In addition, each month the CONTRACTOR shall submit a monthly report to the CITY. After receipt of the monthly report, the CITY shall pay the CONTRACTOR for the COLLECTED MATERIALS delivered corresponding to this data.

4.18 Maintenance of Records

The CONTRACTOR shall maintain all records, including records of financial transactions, pertaining to the performance of this AGREEMENT, in their original form, in accordance with requirements prescribed by the CITY. These records shall be retained for a period of no less than four (4) years following the final

payment made by the CITY hereunder, the expiration date of this AGREEMENT, or the termination of this contract, whichever occurs last. Said records shall be subject to examination and audit by authorized CITY personnel or by the CITY'S representative at any time during the term of this AGREEMENT or within the four (4) years following final payment made by the CITY hereunder, the expiration date of this AGREEMENT, or the termination of this contract, whichever occurs last. The CONTRACTOR shall provide any reports requested by the CITY regarding the performance of this AGREEMENT. Any subcontract entered into by the CONTRACTOR, to the extent allowed hereunder, shall include a like provision for work to be performed under this AGREEMENT.

In lieu of retaining the records for the term as prescribed in this provision the CONTRACTOR may, upon the CITY'S written approval, submit the required information to the CITY in an electronic format, e.g. USB flash drive, at the expiration or termination of this AGREEMENT.

- 4.19 The CONTRACTOR shall promptly pay when due all amounts payable for labor and materials furnished in the performance of this AGREEMENT, so as to prevent any lien or other claim under any provision of law from arising against the CITY (including reports, documents, and other tangible or intangible matter produced by the CONTRACTOR hereunder), against the CONTRACTOR'S rights to payments hereunder, or against the CITY, and shall pay all amounts due under the Unemployment Insurance Code, Division 1, Part 2, Chapter 1, Section 2601 with respect to labor-related expenditures.

ARTICLE 5 – KEY CONTRACTOR PERSONNEL

- 5.1 The CONTRACTOR designates the following person to represent the CONTRACTOR in all matters pertaining to this AGREEMENT:

Name, Title: Armando Martin, Jr., Manager
Address: 4105 Bandini Blvd. Vernon, California 90058
Telephone: 323-26-4176
E-mail: LegacyByProducts.AMartin@gmail.com

If the CONTRACTOR wishes to designate additional staff to represent the CONTRACTOR in matters pertaining to this AGREEMENT staff may be assigned by written request of the CONTRACTOR, subject to the CITY PROJECT MANAGER'S approval.

- 5.2 The CONTRACTOR agrees that personnel assigned to these positions at the commencement of services under this AGREEMENT shall serve in these positions as long as required by the CONTRACT.
- 5.3 Unless otherwise approved by the CITY, the CONTRACTOR shall use its own employees to perform the services described in this CONTRACT.
- 5.4 The CONTRACTOR shall not use SUBCONTRACTORS to assist in the performance of this CONTRACT without the prior written approval of the CITY. If the CITY permits the use of SUBCONTRACTORS, the CONTRACTOR shall remain responsible for performing all aspects of this CONTRACT and paying all SUBCONTRACTORS. The CITY has the right to approve the CONTRACTOR'S SUBCONTRACTORS, and the CITY reserves the right to request replacement of any SUBCONTRACTOR. The CITY does not have any obligation to pay the CONTRACTOR'S SUBCONTRACTORS, and nothing herein creates any privity of contract between the CITY and any SUBCONTRACTOR.

ARTICLE 6 – RESPONSIBILITIES OF AND TASKS TO BE PERFORMED BY CITY

The CITY designates Nat Isaac as the CITY PROJECT MANAGER to represent the CITY in all matters within the scope of this AGREEMENT within the scope of work and the maximum obligation of this CONTRACT, as set forth herein. The CITY PROJECT MANAGER'S authority shall extend to authorizing modifications to this AGREEMENT as mutually agreed upon in writing. Whenever the term "approval of CITY", "consult with CITY", "confer with CITY", or similar terms are used, they shall refer to the CITY PROJECT MANAGER. The CITY may designate another CITY employee to succeed Nat Isaac as the CITY PROJECT MANAGER or the CITY PROJECT MANAGER may designate an assistant to act in his stead and in such an event, the CITY shall notify the CONTRACTOR in writing.

- 6.1 The CITY shall not guarantee any daily minimum tonnage of COLLECTED MATERIALS. Both the CONTRACTOR and the CITY acknowledge that there will be daily, monthly, and/or seasonal fluctuations.
- 6.2 The CITY or its agents shall be responsible for delivering or cause to be delivered COLLECTED MATERIALS to the receiving FACILITY LOCATION.
- 6.3 The CITY shall perform all of its duties hereunder in compliance with all APPLICABLE LAWS and regulations, including the CONTRACTOR'S site rules

which are included as Exhibit 11. Periodic updates to these rules will be issued to the City Project Manager for distribution to City staff.

ARTICLE 7 – TERM OF AGREEMENT AND TIME OF EFFECTIVENESS

The term of this AGREEMENT shall be for three (3) years commencing from the October 1, 2024, with an option to renew for another two (2) years to be exercised at the CITY's sole discretion unless terminated as provided under Article 9 or extended by a duly approved amendment or change order to this AGREEMENT and signed by the parties.

In addition to the one (1) two (2)-year renewal option, the CITY may elect to extend the AGREEMENT on a month-to-month basis for a maximum of six (6) months, during which period the CITY and the CONTRACTOR shall continue performance under the terms of this AGREEMENT. The CITY may extend the AGREEMENT on a month-to-month basis prior to the end of either the initial three (3)-year term, if the CITY elects not to renew, or the end of the five (5)-year term if the CITY elects to renew, by providing the CONTRACTOR written notice at least ninety (90) days prior to expiration of the AGREEMENT. During the period of month-to-month extension, the CITY may increase the cost ceiling amount for services performed by the CONTRACTOR by a maximum of ten percent (10%) of the total CONTRACT cost.

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

- A. This AGREEMENT has been signed on behalf of the CONTRACTOR by the person or persons authorized to bind the CONTRACTOR;
- B. This AGREEMENT has been approved by the City Council or by the BOARD, officer, or employee authorized to give such approval;
- C. The Office of the City Attorney has indicated in writing its approval of this AGREEMENT as to form; and
- D. This AGREEMENT has been signed on behalf of the CITY by the person designated by the City Council, or by the BOARD, officer, or employee authorized to enter into this AGREEMENT. The CITY shall notify the CONTRACTOR in writing at least twelve (12) months prior to the expiration of the AGREEMENT of its intent to renew. The BOARD shall be the final authority in the renewal of this AGREEMENT.

ARTICLE 8 – SUSPENSION

In order to prevent imminent and substantial harm to persons or the environment, the CITY may suspend any or all services provided under this CONTRACT for a period of up to thirty (30) days, or for the remaining term where Article 29 applies, by providing the CONTRACTOR with a written notice of suspension explaining in detail the reasons for the suspension. Upon receipt of the notice of suspension, the CONTRACTOR shall immediately cease the services suspended and shall not incur any additional obligations, costs, or expenses to the CITY during the period of suspension. To the extent any longer period of suspension is necessary, the CITY and the CONTRACTOR shall meet and confer prior to the expiration of the 30-day suspension period and negotiate in good faith about whether to extend the suspension beyond the 30-day suspension period, and the terms and conditions of such further suspension. In the event the CITY and the CONTRACTOR do not agree to further extend suspension beyond the 30-day suspension period, or do not agree upon the terms and conditions of such further suspension, then the CONTRACT shall terminate effective upon the end of the 30-day suspension period or on such date as otherwise agreed upon by CITY and CONTRACTOR. CITY shall pay CONTRACTOR any and all sums due to CONTRACTOR under the AGREEMENT for services performed prior to the effective date of any suspension or termination, as applicable, and those reasonable costs incurred by the CONTRACTOR to effect a termination.

ARTICLE 9 – TERMINATION

9.1 Termination for Breach of Contract

- 9.1.1 Except as provided in Article 21, if the CONTRACTOR fails to materially perform any of the provisions of this CONTRACT or so fails to make progress as to endanger timely performance of this CONTRACT, the CITY may give the CONTRACTOR written notice of the default. The CITY'S default notice will provide the CONTRACTOR an opportunity to cure the default and provide a reasonable period to cure the default to the sole satisfaction of the CITY. Additionally, the CITY'S default notice may offer the CONTRACTOR an opportunity to provide the CITY with a plan to cure the default, which shall be submitted to the CITY within a reasonable time period allowed by the CITY. At the CITY'S sole discretion, the CITY may accept or reject the CONTRACTOR'S plan. If the default cannot be cured or if the CONTRACTOR fails to cure within the period allowed by the CITY, then the CITY may

terminate this CONTRACT due to the CONTRACTOR'S breach of this contract.

- 9.1.2 If the default under this CONTRACT is due to the CONTRACTOR'S failure to maintain the insurance required under this CONTRACT, the CONTRACTOR shall immediately: (1) suspend performance of any services under this CONTRACT for which insurance was required; and (2) notify its employees and SUBCONTRACTORS of the loss of insurance coverage and the CONTRACTOR'S obligation to suspend performance of services. The CONTRACTOR shall not recommence performance until the CONTRACTOR is fully insured and in compliance with the CITY'S requirements pursuant to this AGREEMENT.
- 9.1.3 If a federal or state proceeding for relief of debtors is undertaken by or against the CONTRACTOR, or if the CONTRACTOR makes an assignment for the benefit of creditors, then the CITY may immediately terminate this CONTRACT by providing written notice to the CONTRACTOR.
- 9.1.4 If the CONTRACTOR engages in any dishonest conduct related to the performance or administration of this CONTRACT or violates the CITY'S laws and regulations relating to lobbying, then the CITY may immediately terminate this CONTRACT by providing written notice to the CONTRACTOR.
- 9.1.5 Acts of Moral Turpitude
 - a. The CONTRACTOR shall immediately notify the CITY if CONTRACTOR or any Key Person, as defined below, is charged with, indicted for, convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to any act which constitutes an offense involving moral turpitude under federal, state, or local laws ("Act of Moral Turpitude").
 - b. If CONTRACTOR or a Key Person is convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to an Act of Moral Turpitude, the CITY may immediately terminate this CONTRACT.

- c. If CONTRACTOR or a Key Person is charged with or indicted for an Act of Moral Turpitude, the CITY may terminate this CONTRACT after providing the CONTRACTOR an opportunity to present evidence of the CONTRACTOR'S ability to perform under the terms of this CONTRACT.
 - d. Acts of Moral Turpitude are defined as: violent felonies as defined by Penal Code Section 667.5, crimes involving weapons, crimes resulting in serious bodily injury or death, serious felonies as defined by Penal Code Section 1192.7, and those crimes referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2); in addition to and including acts of murder, rape, sexual assault, robbery, kidnapping, human trafficking, pimping, voluntary manslaughter, aggravated assault, assault on a peace officer, mayhem, fraud, domestic abuse, elderly abuse, and child abuse, regardless of whether such acts are punishable by felony or misdemeanor conviction.
 - e. For the purposes of this provision, a Key Person is a principal, officer, or employee assigned to this CONTRACT, or owner of ten percent (10%) or more of the voting power or equity interests of CONTRACTOR.
- 9.1.6 In the event the CITY terminates this CONTRACT as provided in this Section, the CITY may procure, upon such terms and in the manner as the CITY may deem appropriate, services similar in scope and level of effort to those so terminated.
- 9.1.7 If, after notice of termination of this CONTRACT under the provisions of this Section, it is determined for any reason that the CONTRACTOR was not in default under the provisions of this Section, or that the default was excusable under the terms of this CONTRACT, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 9.1 Termination for Convenience.
- 9.1.8 The rights and remedies of the CITY provided in this Section shall not be exclusive and are in addition to any other rights and

remedies provided by law or under this CONTRACT.

- 9.2 In the event that this CONTRACT is terminated, the CONTRACTOR shall immediately notify all employees and SUBCONTRACTORS, and shall notify in writing all other parties contracted with under the terms of this CONTRACT within five (5) working days of the termination. The CITY shall pay the CONTRACTOR any and all sums due to the CONTRACTOR under the CONTRACT for services performed through the effective date of termination.

ARTICLE 10 – SUBCONTRACT APPROVAL

All subcontracts shall require the prior approval of the CITY, whose approval shall not be unreasonably withheld or delayed. A copy of all subcontracts shall be submitted to the CITY PROJECT MANAGER showing the SUBCONTRACTOR'S name and dollar amount of each subcontract. The CONTRACTOR shall not substitute SUBCONTRACTORS listed in this AGREEMENT without the prior written approval of the CITY, whose approval shall not be unreasonably withheld or delayed. The CONTRACTOR shall not add SUBCONTRACTORS to assist in the performance of this AGREEMENT without the prior written approval of the CITY, whose approval shall not be unreasonably withheld or delayed. If the CITY permits the use of SUBCONTRACTORS, the CONTRACTOR shall remain responsible for performing all aspects of this CONTRACT. The CITY has the right to approve the CONTRACTOR'S SUBCONTRACTORS, and the CITY reserves the right to reasonably request replacement of SUBCONTRACTORS. The CITY does not have any obligation to pay the CONTRACTOR'S SUBCONTRACTORS, and nothing herein creates any privity of contract between the CITY and the SUBCONTRACTORS.

ARTICLE 11 – COMPENSATION, INVOICING AND PAYMENT

11.1 Compensation and Discounts

For and in consideration of the services performed by the CONTRACTOR, the CITY shall compensate the CONTRACTOR on a flat fee basis for LARGE ANIMAL CARCASS collection, or on a cost-per-ton basis for CITY collected materials, pursuant to the tasks performed by the CONTRACTOR as described in Article 4 herein, which shall be the sole compensation paid to the CONTRACTOR by the CITY for all services provided by the CONTRACTOR, except as otherwise agreed upon, in writing, by both parties. The CONTRACTOR shall agree that the cost-per-ton stated to the CITY includes all its overhead, capital costs, permit fees, profit, and any and all other costs of the PROJECT.

The CITY shall apply a discount of one percent (1%) from the invoice amount for payments made to the CONTRACTOR within thirty (30) days of the date the CITY receives a properly documented invoice (as defined in Article 4, Section 4.15 and Article 11, Section 11.8).

- 11.2 The CONTRACTOR agrees that the cost-per-ton service fee for all services provided in this AGREEMENT shall be calculated based on the monthly COLLECTED MATERIALS tonnage received by the CONTRACTOR at the FACILITY as follows:

$$\text{Service Fee} = [T \times C]$$

Where:

T = Total aggregate quantity of COLLECTED MATERIALS,
in tons;
C = Dead Animal Landfill Disposal Cost = \$500/ton;
Dead Animal Rendering Cost = \$750/ton;

The CONTRACTOR agrees that the flat service fee for all large carcass collections made by the CONTRACTOR and approved by the CITY PROJECT MANAGER shall be calculated as follows:

$$\text{Service Fee} = [B+A]$$

Where:

B = Base fee of \$350.00 per collection of one large carcass;
A = \$200.00 for each additional large carcass collected at same
location as first large carcass for which Base fee applies;

Supporting documentation for all labor, expense, and material charges billed must accompany monthly invoices submitted for payment.

The reimbursement for expenses incurred in the performance of this agreement shall be made only upon acceptance by the CITY of the CONTRACTOR's monthly invoice and supporting documentation. Payments to the CONTRACTOR may be unilaterally withheld or reduced by the CITY if the CONTRACTOR fails to comply with the provisions of this agreement. Payments to the CONTRACTOR may be unilaterally withheld or reduced by the CITY if the

CONTRACTOR fails to comply with the provisions of this agreement.

- 11.3 Should the CONTRACTOR experience increased costs associated with the services it is providing pursuant to this AGREEMENT, which are outside its control, the CONTRACTOR may request an increase in the rates paid by the CITY, based on cost substantiation, but in no event shall any increase exceed 10% annually. The CONTRACTOR agrees to provide the CITY with written documentation substantiating its request for any increase in the rates paid by the CITY. The CITY shall have the right to review the documentation and either agree to pay the requested increase, a different negotiated amount, or deny the CONTRACTOR'S request. Examples of increased costs outside of the CONTRACTOR'S control (and that also constitute changes in APPLICABLE LAW) include, but are not limited to, changes in regulatory and permitting requirements. Any increase granted by the CITY shall be retroactive to the effective date of the increased cost upon a verifiable submission provided by the CONTRACTOR.
- 11.4 The CITY'S obligation to provide compensation to the CONTRACTOR under this AGREEMENT shall only be to the extent of the CITY appropriation to fund this AGREEMENT. No action, statement or omission of any officer, agent or employee of the CITY shall impose any obligation upon the CITY, such officer, agent or employee of the CITY, except to the extent the CITY has appropriated funds and otherwise in accordance with the terms of this AGREEMENT. No work shall create an immediate indebtedness nor shall indebtedness arise against the CITY for said work until and unless there is an appropriation of funds to pay for said work. However, if CITY shall appropriate funds for any successive fiscal years, CITY'S obligations shall be extended to the extent of such appropriation subject to the terms and conditions of this AGREEMENT.
- 11.5 Invoicing

The CONTRACTOR shall submit to the CITY PROJECT MANAGER an electronic monthly invoice, referenced to this AGREEMENT, for services rendered for each preceding month. Invoices shall be prepared in such form and supported by WEIGHT TICKETS and other source documents as may be reasonably required by the CITY to verify the amount of each invoice. If original WEIGHT TICKETS are unavailable, photocopies or printouts of WEIGHT TICKETS that have the driver's signature (unless approved by the CITY PROJECT MANAGER) will be accepted.

11.6 The CITY PROJECT MANAGER shall review the CONTRACTOR'S invoice(s) and notify the CONTRACTOR in writing of exceptions or any disputed tonnage within sixty (60) days of receipt. The total invoice amount less any exceptions or disputed tonnage shall be considered approved for payment by the CITY. If the PROJECT MANAGER does not notify the CONTRACTOR of exceptions or disputed tonnage within sixty (60) days of receipt, then the entire invoice amount shall be deemed approved for payment. The CITY shall pay the CONTRACTOR all amounts approved for payment after the CITY PROJECT MANAGER receives, reviews, and approves the CONTRACTOR'S invoices.

11.7 Invoices shall be submitted via mail or courier, and via email to:

Nat Isaac, CITY PROJECT MANAGER
Solid Resources Support Services Division
1149 S. Broadway Street, Suite 500
Los Angeles, CA 90015
Nat.Isaac@lacity.org

11.8 The CITY shall not be responsible for the payment of invoices or supplemental invoices submitted to the CITY more than sixty (60) days after the date of service.

11.9 Costs Incurred Prior to Full Execution of This AGREEMENT.

Costs incurred by the CONTRACTOR prior to the actual date of full execution of this AGREEMENT shall only be payable to the CONTRACTOR if said costs were incurred in completing any task specifically authorized by this AGREEMENT, said costs are reviewed and approved by the CITY, said approval for payment occurs after the AGREEMENT is fully executed, and an appropriation of funds to pay for said work has been made.

11.10 Late Charges

The CITY does not pay late penalties or interest on outstanding invoices. The CITY is not responsible for the payment of any interest, late charges, or penalties incurred by the CONTRACTOR from any subcontractor or supplier for any item provided under this CONTRACT.

11.11 Financial Liability Clause

Notwithstanding any other provision of this CONTRACT, including any exhibits

or attachments incorporated therein, and in order for the CITY to comply with its governing legal requirements, the CITY's obligations under this AGREEMENT shall only be to the extent of the present appropriation to fund the AGREEMENT. No action, statement, or omission of any officer, agent, or employee of the CITY shall impose any obligation upon the CITY, such officer, agent, or employee, except to the extent the CITY has appropriated funds and otherwise in accordance with the terms of this AGREEMENT. The CONTRACTOR agrees that any services provided by the CONTRACTOR, purchases made by the CONTRACTOR, or expenses incurred by the CONTRACTOR in excess of the appropriation(s) shall be free and without charge to the CITY and the CITY shall have no obligation to pay for the services, purchases, or expenses. The CONTRACTOR shall have no obligation to provide any services, provide any equipment, or incur any expenses in excess of the appropriated amount(s) until the CITY appropriates additional funds for this CONTRACT.

The CONTRACTOR and the CITY agree that no indebtedness for work performed which results in costs under this AGREEMENT shall arise against the CITY until and unless there is an appropriation of funds to pay for such work. However, if the CITY shall appropriate funds for any successive fiscal years, the CITY'S obligations shall be extended to the extent of such appropriation subject to the terms and conditions of this AGREEMENT.

11.12 False Claims Act

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

- 11.13 The cost ceiling for this CONTRACT is in the amount of \$283,500 for the entire 3-year term of the CONTRACT. The cost ceiling will be automatically increased to \$472,500 if the CONTRACT is renewed for an additional two (2) years. The CONTRACTOR will not provide services free of charge if the cost ceiling is reached within the 3 or 5 year term.

ARTICLE 12 – AMENDMENTS, CHANGES, OR MODIFICATIONS

All amendments, changes, or modifications to this CONTRACT shall be in writing and signed and approved pursuant to the provisions of Article 7.

ARTICLE 13 – INDEMNIFICATION AND INSURANCE

13.1 INDEMNIFICATION

Except for the active negligence or willful misconduct of the CITY, or any of its boards, officers, agents, employees, assigns and successors in interest, the CONTRACTOR shall defend, indemnify, and hold harmless the CITY and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands and expenses, including, but not limited to, reasonable attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the CITY, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including the CONTRACTOR'S employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent act, error, or omission or willful misconduct incident to the performance of this AGREEMENT by the CONTRACTOR, SUBCONTRACTORS, or their boards, officers, agents, or employees. The rights and remedies of the CITY provided in this Section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this CONTRACT. This provision will survive expiration or termination of this CONTRACT.

13.2 INSURANCE

During the term of this CONTRACT and without limiting the CONTRACTOR'S obligation to indemnify, hold harmless, and defend the CITY, the CONTRACTOR shall provide and maintain at its own expense a program of insurance having the coverage and limits not less than the required amounts and types as determined by the Office of the City Administrative Officer of Los Angeles, Risk Management (template Form General 146 in Exhibit 01 hereto). The insurance must: (1) conform to the CITY'S requirements; (2) comply with the Insurance Contractual Requirements (Form General 146 in Exhibit 01 hereto); and (3) otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. The CONTRACTOR shall comply with all Insurance Contractual Requirements shown on Exhibit 01 hereto. Exhibit 01 is hereby incorporated by reference and made a part of this CONTRACT.

13.3 BONDS

All bonds required by the CITY shall be filed with the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Los Angeles Administrative Code (“LAAC”) Sections 11.47 et seq., as amended from time to time.

ARTICLE 14 – INDEPENDENT CONTRACTORS

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

ARTICLE 15 – WARRANTIES AND RESPONSIBILITIES OF THE CONTRACTOR

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

ARTICLE 16 – INTELLECTUAL PROPERTY INDEMNIFICATION

The CONTRACTOR, at its own expense, shall defend, indemnify, and hold harmless the CITY, and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the CITY, including but not limited to, costs of experts and consultants), damages or liability of any nature arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity, and proprietary information on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by the CONTRACTOR, or its SUBCONTRACTORS, in performing the work under this CONTRACT. The rights and remedies of the CITY provided in this Section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this CONTRACT. This provision will survive expiration or termination of this CONTRACT.

ARTICLE 17 – INTELLECTUAL PROPERTY WARRANTY

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

ARTICLE 18 – OWNERSHIP AND LICENSE

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

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

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

Any subcontract entered into by the CONTRACTOR relating to this CONTRACT, to the extent allowed hereunder, shall include a like provision for work to be performed under this CONTRACT to contractually bind or otherwise oblige its subcontractors performing work under this CONTRACT such that the CITY'S ownership and license rights of all Work Products are preserved and protected as intended herein. Failure of the CONTRACTOR to comply with this requirement or to obtain the compliance of its subcontractors with 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.

The CONTRACTOR agrees that a monetary remedy for breach of this CONTRACT may be inadequate, impracticable, or difficult to prove and that a breach may cause the CITY irreparable harm. The CITY may therefore enforce this requirement by seeking injunctive relief and specific performance, without any necessity of showing actual damage or irreparable harm. Seeking injunctive relief or specific performance does not preclude the CITY from seeking or obtaining any other relief to which the CITY may be entitled.

ARTICLE 19 – SUCCESSORS AND ASSIGNS

All of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns provided, however, that no assignment of the AGREEMENT shall be made without written consent of the parties to this AGREEMENT as required under Article 28.

ARTICLE 20 – CONTACT PERSONS – PROPER ADDRESSES – NOTIFICATION

All notices shall be made in writing and shall be given by electronic mail and by either personal delivery or certified mail. Such notices sent by mail should be sent to the designated contact person for each party and addressed as follows:

To the CITY:

Contact Persons:

Solid Resources Support Services Project Manager
Attn: Nat Isaac
Email: nat.isaac@lacity.org
Telephone: (213) 485-3825

Solid Resources Support Services Environmental Engineering Associate III
Attn: James Roska
Email: James.Roska@lacity.org
Tel: (213) 485-2988

Solid Resources Support Services Senior Environmental Engineer
Attn: Bernadette Halverson
Email: Bernadette.Halverson@lacity.org
Tel: (213) 485-3634

1149 South Broadway Street, Suite 500
Los Angeles, CA 90015

To the CONTRACTOR:

Armando Martin, Jr., Legacy By-Products, L.L.C. President
4105 Bandini Boulevard
Vernon, CA 90058
Tel: (323) 261-2145
Email: legacybyproducts.amartin@gmail.com

ARTICLE 21 – FORCE MAJEURE (EXCUSABLE DELAYS)

Neither party shall be liable for its delay or failure to perform any obligation under and in accordance with this CONTRACT, if the delay or failure arises out of fires, floods, earthquakes, epidemics, pandemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by the party or any of the party's SUBCONTRACTORS), freight embargoes, terrorist acts, insurrections or other civil disturbances, or other similar events to those described above, but in each case the delay or failure to perform must be beyond the control and without any fault or negligence of the party delayed or failing to perform (these events are referred to in this provision as "Force Majeure Events").

Notwithstanding the foregoing, a delay or failure to perform by a SUBCONTRACTOR of the CONTRACTOR shall not constitute a Force Majeure Event, unless the delay or failure arises out of causes beyond the control of both the CONTRACTOR and SUBCONTRACTOR, and without any fault or negligence of either of them. In such case, the CONTRACTOR shall not be liable for the delay or failure to perform, unless the goods or services to be furnished by the SUBCONTRACTOR were obtainable from other sources in sufficient time to permit the CONTRACTOR to perform timely. As used in this CONTRACT, the term "SUBCONTRACTOR" means a subcontractor at any tier.

In the event the CONTRACTOR'S delay or failure to perform arises out of a Force Majeure Event, the CONTRACTOR agrees to use commercially reasonable best efforts

to obtain the goods or services from other sources, and to otherwise mitigate the damages and reduce the delay caused by the Force Majeure Event.

ARTICLE 22 – SEVERABILITY

Should any portion of this AGREEMENT be determined to be void or unenforceable, such shall be severed from the whole and the AGREEMENT will continue as modified.

ARTICLE 23 – DISPUTES

Should a dispute or controversy arise concerning provisions of this AGREEMENT or the performance of work hereunder, the parties may elect to submit such to a court of competent jurisdiction.

ARTICLE 24 – ENTIRE AGREEMENT

This AGREEMENT contains all of the agreements, representations, and understandings of the parties hereto and supersedes and/or incorporates any previous understandings, proposals, commitments, or agreements, whether oral or written, and may be modified or amended only as herein provided.

ARTICLE 25 – APPLICABLE LAW, INTERPRETATION AND ENFORCEMENT

Each party's performance hereunder shall comply with all APPLICABLE LAWS of the United States of America, the State of California, and the CITY, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing law. This CONTRACT and its performance shall be enforced and interpreted under the APPLICABLE LAWS of the State of California without regard to conflict of law principles. All causes of action arising directly or indirectly from the business relationship evidenced by this CONTRACT must be filed in the appropriate state or federal court located in Los Angeles County, California, and each party agrees to be subject to the jurisdiction of the State of California regardless of their residence. The CONTRACTOR shall comply with all APPLICABLE LAWS that apply to the performance of this CONTRACT with no additional compensation paid to the CONTRACTOR. CONTRACTOR, however, pursuant to Article 11.3, may submit a request for additional compensation due to increases in costs as a result of changes in APPLICABLE LAW.

If any part, term, or provision of this AGREEMENT is held void, illegal, unenforceable, or in conflict with any law or regulation of a federal, state, or local government having

jurisdiction over this AGREEMENT, the validity of the remaining parts, terms, or provisions of the AGREEMENT shall not be affected thereby.

ARTICLE 26 – LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED

For the duration of this CONTRACT, the CONTRACTOR shall maintain a valid Business Tax Registration Certificate(s) as required by the CITY'S Business Tax Ordinance, Section 21.00 et seq. of the Los Angeles Municipal Code ("LAMC"), and shall not allow the certificate to lapse or be revoked or suspended.

Should any such certificate(s) become suspended or revoked, it is the CONTRACTOR'S responsibility to report the matter immediately to the CITY PROJECT MANAGER.

ARTICLE 27 – WAIVER

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

ARTICLE 28 – PROHIBITION AGAINST ASSIGNMENT OR DELEGATION

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

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

ARTICLE 29 – PERMITS

The CONTRACTOR shall obtain and maintain all licenses, permits, certifications, and other documents necessary for the CONTRACTOR'S performance of this CONTRACT and shall pay any fees required therefore. The CONTRACTOR shall notify the CITY in writing, as soon as practicable, but in no event later than the duration specified in the following sentence, of any proposed or actual suspension, termination, lapses, non-renewals, restrictions, or modifications of licenses, permits, certifications, or other documents necessary for the CONTRACTOR's performance of this CONTRACT, that

would or may have a material adverse impact on CONTRACTOR's performance of its obligations under this CONTRACT. Such notice for proposed changes shall be made within five (5) OPERATING DAYS and such notice for actual changes shall be made within two (2) OPERATING DAYS from the proposed or actual change, respectively. CONTRACTOR shall provide the CITY with any and all renewals, updates, and modifications to any permit. CONTRACTOR shall also notify the CITY in writing within two (2) OPERATING DAYS of any suspension, termination, lapses, non-renewals, or restrictions of licenses, permits, certificates, or other documents that relate to CONTRACTOR'S performance of this CONTRACT.

ARTICLE 30 – BEST TERMS

Throughout the term of this CONTRACT, the CONTRACTOR shall offer the CITY the best terms, prices, and discounts that are offered to any of the CONTRACTOR'S customers for similar goods and services provided under this CONTRACT.

ARTICLE 31 – CLAIMS FOR LABOR AND MATERIALS

The CONTRACTOR shall promptly pay when due all amounts owed for labor and materials furnished in the performance of this CONTRACT so as to prevent any lien or other claim under any provision of law from arising against any CITY property (including reports, documents, and other tangible or intangible matter produced by CONTRACTOR hereunder), and shall pay all amounts due under the Unemployment Insurance Act or any other APPLICABLE LAW with respect to labor used to perform under this CONTRACT.

ARTICLE 32 – BREACH

Except for Force Majeure, if any party fails to perform, in whole or in part, any promise, covenant, or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided for herein except that in no event shall any party recover more than once, suffer a penalty or forfeiture, or be unjustly compensated.

ARTICLE 33 – MANDATORY PROVISIONS PERTAINING TO NON-DISCRIMINATION IN EMPLOYMENT

Unless otherwise exempt, this CONTRACT is subject to the applicable

non-discrimination, equal benefits, equal employment practices, and affirmative action program provisions in LAAC Section 10.8 et seq., as amended from time to time.

- A. The CONTRACTOR shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the CITY. In performing this CONTRACT, the CONTRACTOR shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status, or medical condition.
- B. The requirements of Section 10.8.2.1 of the LAAC, the Equal Benefits Ordinance, and the provisions of Section 10.8.2.1(f) are incorporated and made a part of this CONTRACT by reference.
- C. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of this CONTRACT by reference and will be known as the "Equal Employment Practices" provisions of this CONTRACT.
- D. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this CONTRACT by reference and will be known as the "Affirmative Action Program" provisions of this CONTRACT.

Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 34 – CHILD SUPPORT ASSIGNMENT ORDERS

The CONTRACTOR shall comply with the Child Support Assignment Orders Ordinance, Section 10.10 of the LAAC, as amended from time to time. Pursuant to Section 10.10(b) of the LAAC, the CONTRACTOR shall fully comply with all applicable State and Federal employment reporting requirements. Failure of the CONTRACTOR to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment or Notices of Assignment, or the failure of any principal owner(s) of the CONTRACTOR to comply with any Wage and Earnings Assignment or Notices of Assignment applicable to them personally, shall constitute a default by the CONTRACTOR under this CONTRACT. Failure of the CONTRACTOR or principal owner to cure the default within ninety (90) days of the notice of default will subject this CONTRACT to termination for breach. Any subcontract entered into by the

CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 35 – LIVING WAGE ORDINANCE AND SERVICE CONTRACTOR WORKER RETENTION ORDINANCE

35.1 LIVING WAGE ORDINANCE

The CONTRACTOR shall comply with the Living Wage Ordinance, LAAC Section 10.37 et seq., as amended from time to time. The CONTRACTOR further agrees that it shall comply with federal law proscribing retaliation for union organizing. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

35.2 SERVICE CONTRACTOR WORKER RETENTION ORDINANCE

Unless otherwise exempt or inapplicable, CONTRACTOR shall comply with the Service Contractor Worker Retention Ordinance, LAAC Section 10.36 et seq., as amended from time to time. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 36 – ACCESS AND ACCOMMODATIONS

The CONTRACTOR represents and certifies that:

- A. The CONTRACTOR shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 et seq., the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 et seq., the Fair Housing Act, and its implementing regulations and any subsequent amendments, and the California Government Code Section 11135;
- B. The CONTRACTOR shall not discriminate on the basis of a disability or on the basis of a person's relationship to, or association with, a person who has a disability;
- C. The CONTRACTOR shall provide reasonable accommodation upon request to ensure equal access to CITY-funded programs, services, and activities;

- D. Construction will be performed in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40; and
- E. CONTRACTOR FACILITIES used to provide services under this CONTRACT are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

The CONTRACTOR understands that the CITY is relying upon these certifications and representations as a condition to funding this CONTRACT. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 37 – CONTRACTOR RESPONSIBILITY ORDINANCE

The CONTRACTOR shall comply with the Contractor Responsibility Ordinance, LAAC Section 10.40 et seq., as amended from time to time.

ARTICLE 38 – LOS ANGELES BUSINESS INCLUSION PROGRAM

Unless otherwise exempted prior to bid submission, the CONTRACTOR shall comply with all aspects of the Business Inclusion Program as described in the Request for Proposal/Qualification process, throughout the duration of this CONTRACT. The CONTRACTOR shall utilize the Business Assistance Virtual Network (“BAVN”) at <https://www.labavn.org/>, to perform and document outreach to Minority, Women, and Other Business Enterprises. The CONTRACTOR shall perform SUBCONTRACTOR outreach activities through BAVN. The CONTRACTOR shall not change any of its designated SUBCONTRACTORS or pledged specific items of work to be performed by these SUBCONTRACTORS, nor shall the CONTRACTOR reduce their level of effort, without prior written approval of the CITY.

ARTICLE 39 – DISCLOSURE ORDINANCES

Unless otherwise exempt in accordance with the provisions of the Slavery Disclosure Ordinance, this CONTRACT is subject to the Slavery Disclosure Ordinance, Section 10.41 et seq., of the Los Angeles Administrative Code, as may be amended from time to time. The CONTRACTOR certifies that it has complied with the applicable provisions of this Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this CONTRACT. Any subcontract entered into by the CONTRACTOR

for work to be performed under this CONTRACT must include an identical provision. Exhibit 02 is attached hereto and incorporated herein by this reference.

The CONTRACTOR shall comply with Los Angeles Administrative Code Section 10.50 et seq., 'Disclosure of Border Wall Contracting.' The CITY may terminate this CONTRACT at any time if the CITY determines that the CONTRACTOR failed to fully and accurately complete the required affidavit and disclose all Border Wall Bids and Border Wall Contracts, as defined in LAAC Section 10.50.1.

ARTICLE 40 – CONTRACTOR PERFORMANCE EVALUATION ORDINANCE

At the end of this AGREEMENT, the CITY will conduct an evaluation of the CONTRACTOR'S performance. The CITY may also conduct evaluations of the CONTRACTOR'S performance during the term of the AGREEMENT. As required by Section 10.39.2 of the Los Angeles Administrative Code, evaluations will be based on a number of criteria, including the quality of the work product or service performed, the timeliness of performance, financial issues, and the expertise of personnel that the CONTRACTOR assigns to the AGREEMENT. A contractor who receives a "Marginal" or "Unsatisfactory" rating will be provided with a copy of the final CITY evaluation and allowed fourteen (14) CALENDAR DAYS to respond. The CITY will use the final CITY evaluation, and any response from the CONTRACTOR, to evaluate proposals and to conduct reference checks when awarding other service contracts.

ARTICLE 41 – MUNICIPAL LOBBYING ORDINANCE

The CONTRACTOR for the CITY shall submit a certification, on a form prescribed by the City Ethics Commission, that the CONTRACTOR acknowledges and agrees to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance, Exhibit 08, if the CONTRACTOR qualifies as a lobbying entity under the Ordinance. The exemptions contained in Los Angeles Administrative Code Section 10.40.4 shall not apply to this subsection.

ARTICLE 42 – FIRST SOURCE HIRING ORDINANCE

The CONTRACTOR shall comply with the First Source Hiring Ordinance, LAAC Section 10.44 et seq., as amended from time to time. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

**ARTICLE 43 – COMPLIANCE WITH LOS ANGELES CITY CHARTER
SECTION 470(c)(12) FOR MEASURE H/CONTRACTOR CONTRIBUTIONS/
FUNDRAISING**

Unless otherwise exempt, if this CONTRACT is valued at \$100,000 or more and requires approval by an elected CITY office, CONTRACTOR, CONTRACTOR’S principals, and CONTRACTOR’S SUBCONTRACTORS expected to receive at least \$100,000 for performance under the CONTRACT, and the principals of those SUBCONTRACTORS (the “Restricted Persons”) shall comply with Charter Section 470(c)(12) and LAMC Section 49.7.35. Failure to comply entitles the CITY to terminate this CONTRACT and to pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected CITY officials or candidates for elected CITY office for twelve (12) months after this CONTRACT is signed. Additionally, a CONTRACTOR subject to Charter Section 470(c)(12) is required to comply with disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. Any contractor subject to Charter Section 470(c)(12) shall include the following notice in any contract with any subcontractor expected to receive at least \$100,000 for performance under this CONTRACT:

“Notice Regarding Restrictions on Campaign Contributions and Fundraising in City Elections

You are a subcontractor on City of Los Angeles contract#_____. Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles (“CITY”) officials and candidates for elected CITY office for twelve (12) months after the CITY contract is signed. You are required to provide the names and contact information of your principals to the CONTRACTOR and to amend that information within ten (10) business days if it changes during the twelve-month (12-month) time period. Failure to comply may result in termination of this Contract and any other available legal remedies. Information about the restrictions may be found online at ethics.lacity.org or by calling the Los Angeles City Ethics Commission at (213) 978-1960.”

ARTICLE 44 – COMPLIANCE WITH THE IRAN CONTRACTING ACT OF 2010

In accordance with California Public Contract Code Sections 2200-2208, all contractors entering into, or renewing contracts with the CITY for goods and services estimated at \$1,000,000 or more are required to complete, sign, and submit the "Iran Contracting Act of 2010 Compliance Affidavit." (Exhibit 10)

ARTICLE 45 – INTEGRATED CONTRACT

This CONTRACT sets forth all of the rights and duties of the parties with respect to the subject matter of this CONTRACT and replaces any and all previous contracts or understandings, whether written or oral, relating thereto. This CONTRACT may be amended only as provided for in the provisions of Article 12 hereof.

ARTICLE 46 – LOCAL BUSINESS PREFERENCE ORDINANCE

The CONTRACTOR shall comply with the Local Business Preference Ordinance, LAAC Section 10.47 *et seq.*, as amended from time to time. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 47 – CITY CONTRACTOR'S USE OF CRIMINAL HISTORY FOR CONSIDERATION OF EMPLOYMENT APPLICATIONS

The CONTRACTOR shall comply with the City Contractors' Use of Criminal History for Consideration of Employment Applications Ordinance, LAAC Section 10.48 *et seq.*, as amended from time to time. Any subcontract entered into by the CONTRACTOR for work to be performed under this CONTRACT must include an identical provision.

ARTICLE 48 – COMPLIANCE WITH CALIFORNIA PUBLIC RESOURCES CODE SECTION 5164

California Public Resources Code Section 5164 prohibits a public agency from hiring a person for employment or as a volunteer to perform services at any park, playground, or community center used for recreational purposes in a position that has supervisory or disciplinary authority over any minor, if the person has been convicted of certain crimes as referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2).

If applicable, the CONTRACTOR shall comply with California Public Resources Code Section 5164, and shall additionally adhere to all rules and regulations that have been adopted or that may be adopted by the CITY. The CONTRACTOR is required to have all employees, volunteers, and SUBCONTRACTORS (including all employees and volunteers of any SUBCONTRACTOR) of the CONTRACTOR working on premises to pass a fingerprint and background check through the California Department of Justice at the CONTRACTOR'S sole expense, indicating that such individuals have never been convicted of certain crimes as referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2), if the individual will have supervisory or disciplinary authority over any minor.

ARTICLE 49 – POSSESSORY INTERESTS TAX

Rights granted to the CONTRACTOR by the CITY may create a possessory interest. The CONTRACTOR agrees that any possessory interest created may be subject to California Revenue and Taxation Code Section 107.6 and a property tax may be levied on that possessory interest. If applicable, the CONTRACTOR shall pay the property tax. The CONTRACTOR acknowledges that the notice required under California Revenue and Taxation Code Section 107.6 has been provided.

ARTICLE 50 – CONFIDENTIALITY

All documents, information, and materials provided to the CONTRACTOR by the CITY or developed by the CONTRACTOR pursuant to this CONTRACT (collectively "Confidential Information") are confidential. The CONTRACTOR shall not provide or disclose any Confidential Information or their contents or any information therein, either orally or in writing, to any person or entity, except as authorized by the CITY or as required by law. The CONTRACTOR shall immediately notify the CITY of any attempt by a third party to obtain access to any Confidential Information. This provision will survive expiration or termination of this CONTRACT.

ARTICLE 51 – COUNTERPARTS

This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by the City) and sent by e-mail shall be deemed original signatures.

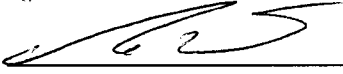
ARTICLE 52 – CONTRACTOR DATA REPORTING

If CONTRACTOR is a for-profit, privately owned business, CONTRACTOR shall, within 30 days of the effective date of the CONTRACT and on an annual basis thereafter (i.e., within 30 days of the annual anniversary of the effective date of the CONTRACT), report the following information to CITY via the Regional Alliance Marketplace for Procurement (“RAMP”) or via another method specified by CITY: Contractor’s and any Subcontractor’s annual revenue, number of employees, location, industry, race/ethnicity and gender of majority owner (“Contractor/Subcontractor Information”). CONTRACTOR shall further request, on an annual basis, that any Subcontractor input or update its business profile, including the Contractor/Subcontractor Information, on RAMP or via another method prescribed by CITY.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT on the day and year written below.

**CITY OF LOS ANGELES
LEGACY BY-PRODUCTS, LLC**

By: _____

By: _____
Armando Martin, Jr.

Title: Commissioner, Board of Public Works

Title: Manager

Date: _____

Date: 10-2-24

By: _____

Title: Commissioner, Board of Public Works

Date: _____

APPROVED AS TO FORM

HYDEE FELDSTEIN SOTO, City Attorney

By: _____
Thomas F. Costello-Vega

Title: Deputy City Attorney

Date: _____

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By: _____

Title: Deputy City Clerk

Date: _____