



# AGENDA

## LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

### BOARD OF DIRECTORS REGULAR MEETING

Thursday, April 5, 2012 • 9:00 a.m.  
Grace E. Simons Lodge  
1025 Elysian Park Drive, Los Angeles, CA 90012

Los Angeles Regional Interoperable Communications System Authority (the "Authority")

#### **AGENDA POSTED: APRIL 2, 2012**

Complete agendas are made available for review at the designated meeting location during normal business hours and may also be accessible on the Authority's website at <http://www.la-rics.org>.

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#### **Members:**

1. **William T Fujioka**, Chair, CEO, County of Los Angeles
2. **Charles L. Beck**, Vice Chair, Police Chief, City of Los Angeles
3. **Mark R. Alexander**, City Manager, representing California Contract Cities Association
4. **Leroy D. Baca**, Sheriff, County of Los Angeles
5. **Reginald Harrison**, Deputy City Manager, City of Long Beach
6. **LeRoy J. Jackson**, City Manager, City of Torrance, representing At Large Seat
7. **Dr. Mitchell H. Katz**, Director, DHS, County of Los Angeles
8. **Gerry F. Miller**, Chief Legislative Analyst, City of Los Angeles
9. **Daryl L. Osby**, Fire Chief, County of Los Angeles
10. **Brian Cummings**, Fire Chief, City of Los Angeles
11. **Donald Pedersen**, Police Chief, City of Culver City, representing At Large Seat
12. **Scott Pickwith**, Police Chief, representing the Los Angeles County Police Chiefs Association
13. **Kim Raney**, Police Chief, City of Covina, representing At Large Seat
14. **Timothy Scranton**, Fire Chief, representing the Los Angeles Area Fire Chiefs Association
15. **Miguel Santana**, CAO, City of Los Angeles
16. **Gregory L. Simay**, Assistant General Manager, City of Burbank Water & Power, representing At Large Seat
17. **Steven K. Zipperman**, Police Chief, Los Angeles School Police Department

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#### **Officers:**

1. **Patrick Mallon**, Executive Director
2. **Wendy L. Watanabe**, County of Los Angeles Auditor-Controller
3. **Mark J. Saladino**, County of Los Angeles Treasurer and Tax Collector
4. **Patricia Saucedo**, Board Secretary



**NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA**

**I. CALL TO ORDER**

**II. ANNOUNCE QUORUM – Roll Call**

**III. APPROVAL OF MINUTES (1)**

1. March 1, 2012 Regular Meeting Minutes

**Attachment: Item 1**

**IV. CONSENT CALENDAR – (None)**

**V. REPORTS (2–5)**

2. Committee Reports (2.a and 2.d)

- a. Finance Committee – Stephen Sotomayor

- b. Legislative Committee – No Report

- c. Operations Committee – No Report

- d. Technical Committee – Kevin Nida

- i. Presentation regarding H.R. 3630

- ii. Presentation of Second Responders Network

3. Independent Auditor's Report – County of Los Angeles Auditor-Controller Representatives

**Attachment: Item 3**

4. Director's Report – Pat Mallon

- a. RFP of Telecommunications System Procurement Update

- b. Contracts Update – Pat Mallon

- i. NTP to UltraSystems

- ii. NTP to Jacobs

- iii. Funds Paid and/or Encumbered

**Attachment: Item 4a and 4b**

5. Grant Status Report

- a. BTOP and SHSGP Report – Pat Mallon

- b. The Match Requirement for BTOP – Pat Mallon

- c. UASI Report – City of Los Angeles

- i. Grant Expenditures for UASI '08

**Attachment: Item 5a**



**VI. ADMINISTRATIVE MATTERS/ACTION ITEMS (6-7)**

6. Authority Elections For At Large Board Members – Pat Mallon

Per the Authority's Bylaws, the Board of Directors must set a date for mail-in ballot elections of the At Large Director and Alternate Director seats, 6 months prior to the expiration of terms.

It is recommended that the Board:

- a. Extend the term of the At Large Directors and Alternates to Thursday, November 1, 2012; and,
- b. Set the date for At Large Directors and Alternates mail-in ballot elections for Thursday, November 1, 2012.

**Attachment: Item 6**

7. Approval of Urban Area Security Initiative (UASI) 2008 Sub-Recipient Agreement – Pat Mallon

It is recommended that the Board:

- a. Delegate authority to the Executive Director to execute the UASI 2008 Subrecipient Agreement with the City of Los Angeles, as the grant administrator, for \$346,251 in UASI 08 funds, substantially similar to the attached form.

**Attachment: Item 7**

**VII. CLOSED SESSION REPORT**

8. Conference with Legal Counsel – Anticipated Litigation (Subdivision (b) of Government Code Section 54956.9)

- a. Significant exposure to litigation (one case)

**VIII. PUBLIC COMMENTS**

**IX. ITEMS FOR FUTURE DISCUSSION AND/OR ACTION BY THE BOARD**

9. Project Funding
10. Project Risk Controls

**X. ADJOURNMENT and NEXT MEETING:**

Thursday, May 3, 2012, at 9:00 a.m., at the Grace E. Simons Lodge.



### BOARD MEETING INFORMATION

Members of the public are invited to address the LA-RICS Authority Board on any item on the agenda prior to action by the Board on that specific item. Members of the public may also address the Board on any matter within the subject matter jurisdiction of the Board. The Board will entertain such comments during the Public Comment period. Public Comment will be limited to three (3) minutes per individual for each item addressed, unless there are more than ten (10) comment cards for each item, in which case the Public Comment will be limited to one (1) minute per individual. The aforementioned limitation may be waived by the Board's Chair.

*(NOTE: Pursuant to Government Code Section 54954.3(b) the legislative body of a local agency may adopt reasonable regulations, including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker.)*

Members of the public who wish to address the Board are urged to complete a Speaker Card and submit it to the Board Secretary prior to commencement of the public meeting. The cards are available in the meeting room. However, should a member of the public feel the need to address a matter while the meeting is in progress, a card may be submitted to the Board Secretary prior to final consideration of the matter.

It is requested that individuals who require the services of a translator contact the Board Secretary no later than the day preceding the meeting. Whenever possible, a translator will be provided. Sign language interpreters, assistive listening devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. (323) 881-8291 or (323) 881-8295

SI REQUIERE SERVICIOS DE TRADUCCION, FAVOR DE NOTIFICAR LA OFICINA CON 72 HORAS POR ANTICIPADO.

The meeting is recorded, and the recording is kept for 30 days.



# Board of Directors MEETING MINUTES

LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

March 1, 2012

Grace E. Simons Lodge  
1025 Elysian Park Drive, Los Angeles, CA 90012

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## Board Members Present:

**William "Bill" T Fujioka Chair**, CEO, County of Los Angeles  
**Brian Cummings**, Fire Chief, City of Los Angeles Fire Department  
**Leroy "Lee" D. Baca, Sheriff**, County of Los Angeles  
**Timothy Scranton**, Fire Chief, City of Beverly Hills, representing the Los Angeles Area Fire Chiefs Association  
**Scott Pickwith**, Police Chief, City of La Verne, representing the Los Angeles County Police Chiefs Association  
**Mark R. Alexander**, City Manager, City of La Cañada Flintridge, representing Contract Cities Association  
**LeRoy J. Jackson**, City Manager, City of Torrance, representing At Large Seat  
**Gregory "Greg" L. Simay**, Assistant General Manager, City of Burbank Water & Power, At Large Seat  
**Kim Raney**, Police Chief, City of Covina, At Large Seat

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## Representatives For Board Members Present:

**Patricia "Patty" J. Huber**, representing Miguel Santana, CAO, City of Los Angeles  
**Sandy Jo MacArthur**, representing Charles "Charlie" L. Beck, Vice Chair, Police Chief, City of Los Angeles  
**June Gibson**, representing Gerry Miller, Chief Legislative Analyst, City of Los Angeles  
**John F. Lenihan**, representing Daryl L. Osby, Fire Chief, County of Los Angeles  
**Cathy Chidester**, representing Dr. Mitchell H. Katz, Director, DHS, County of Los Angeles  
**Nancy L. Ramirez**, representing Steven K. "Steve" Zipperman, Police Chief, Los Angeles School Police Department

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## Officers Present:

**Pat Mallon**, LA-RICS Executive Director  
**Patricia Saucedo**, Board Secretary

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## Absent:

**Reginald "Reggie" Harrison**, Deputy City Manager, City of Long Beach  
**Donald "Don" Pedersen**, Police Chief, City of Culver City, At Large Seat  
**Mark J. Saladino**, Los Angeles County Treasurer and Tax Collector  
**Wendy L. Watanabe**, Los Angeles County Auditor-Controller



- I. CALL TO ORDER – Chair Fujioka called the meeting to order.
- II. ANNOUNCE QUORUM – Roll Call. Roll Call. Chair Fujioka acknowledged that quorum was present.
- III. APPROVAL OF MINUTES
  - 1. February 2, 2012 – Regular Meeting – **MOTION APPROVED.** Board Member Mark Alexander abstained due to his absence at the last meeting.

IV. CONSENT CALENDAR – (None)

V. REPORTS (2–4)

- 2. Committee Reports:
  - A. Legislative Committee – No Report
  - B. Finance Committee – No Report
  - C. Operations Committee – No Report
  - D. Technical Committee – No Report
- 3. Director's Report – Pat Mallon

Executive Director Mallon informed the Board that he has five items:

Project Management Contract – Executive Director Mallon informed the Board that he will be requesting for a Special Meeting for March 15, 2012. They have received four (4) proposals; evaluation process is complete; negotiations on both cost and scope are nearing completion; and will be ready to present a contract to the Board on March 15, 2012.

Telecommunications System Procurement - The Internal Services Department (ISD) reported that the evaluation process is nearing completion, ahead of schedule. The Project Team is completing a gap analysis and will be meeting next week to cover both proposals and soon we will be in a position to immediately move into negotiations. ISD will be providing the Board with an update at the meeting on March 15, 2012. The initiation of negotiations is anticipated for before the end of this month.

The Environmental Assessment Progress Report - As reported in February, all LTE sites were inspected by the consultant and found no critical environmental issues at any of the sites. LA-RICS is 90% complete on base line project narrative and deliverables for the NTIA are on schedule. They are conducting weekly teleconferences with the NTIA to resolve any concerns that NTIA might have. A technical site and data narrative must be completed after the detailed system design by the telecommunications contractor. Up until now, LA-RICS has encountered no critical issues, and looking ahead they do have a site data sheet in an initial draft of the project description. Following that they will begin an outreach to local jurisdictions and regulatory agencies.

Membership Committee - Membership committee held its initial committee meeting on February 8, 2012, with the request that County Counsel reviews the Joint Powers Agreement as it related to partial participation. The scheduling of the second meeting will be determined after LA-RICS receives County Counsel's review.

HR.3630 - HR.3630 was passed by Congress and was signed into law by President Obama on February 22, 2012. That piece of legislation assigns the D-Block to Public Safety, something that we have been long seeking. But it also requires the sale of T-Band frequencies, which is 470 to



512, within nine years with a two year switch over. T-Band is at the heart of the LA-RICS LMR Plan System. At this point there is no specific frequency band that has been identified by the FCC by which we would have to be moving, however there seems to be a favor to the 700 – 800 MHz due to its proximity to the broadband frequencies.

Chair Fujioka stated that this legislation is very important. He stated that there will be a specific Agenda item on March 15, 2012, to discuss the impact that it has on the project and options.

Board Member Jackson asked if there was any feedback during the workout of the legislation with legislative advocates. Chair Fujioka said that is part of the information to be gathered for March 15, 2012.

4. Grant Status

A. UASI and PSIC –

Eileen Decker delivered a written report of information that was requested at the last meeting. Board Member Jackson asked if tied to this is there to be an extension report as to how much grant money will be spent over the next year almost as a budget context, so that the Board can see where those funds are going to be used during the next 12 months. Executive Director Mallon stated that a lot of that will be stated at the next meeting on March 15, 2012.

Board Member Simay ask a question regarding the UASI handout, the fourth bullet point, reserving the right to change to all projects, in accordance with direction provided by the grantor for each grant. Who are the deciders, is it a group, is it a decision that involves UASI? Who ultimately makes the call to reallocate funds?

Eileen Decker stated that it starts at the top, with DHS who is the grantor. Cal EMA is also considered a grantor, tare active in reviewing the projects and provide advice to DHS. There is also the UASI Approval Authority. Every entity represented on the LA-RICS Board is also represented on that approval authority. It makes the specific project decisions and allocations of the grant funds. When the UASI region is awarded money, the Approval Authority make percentages on how to break it up between current investment justifications, and the ultimate list of projects.

Board Member Simay asked if the LA City Mayor's Office would be able to make decisions independently of UASI or through UASI. Ms. Decker stated that it was through the UASI.

B. SHSGP and BTOP –

Executive Director Mallon stated that SHSGP 07' grant is closed. With respect to the SHSGP 08' funds we have written correspondence to the Coordinators suggesting that they reallocate the funds. This is because of the restart of the procurement process. The most recent letter was on March 24, 2012. We had initially anticipated that we could spend 1million dollars doing site upgrades through an existing contract and upcoming contract through the Department of Public Works. We were advised that that contract process was delayed and so it would make it impossible for us to utilize that contract and spent the money.

SHSGP 09' and 10' monies, we do anticipate spending those for the vendor contract.

BTOP payments have been made primarily to Televate, the LTE consultant, and for the Ultrasystems contracts both the prior and current the environmental assessment. Board Member Simay requested that the next report include references to match requirements.



Board Member Simay asked about SHSGP 08' reallocation. Executive Director Mallon stated that they had already reallocated 5,549,000 dollars, and recently learned that the potential to contract through at DPW open procurement was not moving forward, and will make impossible for us to complete it before the May 2012 deadline. There was written correspondence advising them that they can repurpose that 1 million dollars.

VI. ADMINISTRATIVE MATTERS (5-7)

5. At Large Directors and Alternate Directors Election (September 6, 2012) and Board Member Voting Rights - Pat Mallon

RECOMMENDATION: It is recommended that the Board:

- A. Extend the term of the At Large Directors and Alternates to September 6, 2012.  
B. Set the date for At Large Directors and Alternates mail-in ballot elections for Thursday, September 6, 2012

Chair Fujioka stated that this item will be continued to the meeting on March 15, 2012. There is still an issue that needs County Counsel's attention.

VII. MISCELLANEOUS – (None)

6. Finance Committee Meeting Minutes for 2011 (7 meetings)

Executive Director Mallon stated that the Finance Committee Meeting minutes for 2011 were included by the request of Board Member Simay.

VIII. ITEMS FOR FUTURE DISCUSSION AND/OR ACTION BY THE BOARD

7. Project Funding  
8. Project Risk Controls

Executive Director Mallon stated that Agenda Items 7 and 8 will probably be continued until April or May 2012.

IX. PUBLIC COMMENTS – (None)

X. ADJOURNMENT

Thursday, April 5, 2012, at 9:00 a.m. at the Grace E. Simons Lodge.





WENDY L. WATANABE  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS  
JOHN NAIMO  
JAMES L. SCHNEIDERMAN  
JUDI E. THOMAS

March 28, 2012

The Board of Directors  
Los Angeles County Regional Interoperable  
Communications System (LA-RICS)  
c/o Patrick J. Mallon, Executive Director  
2525 Corporate Place, Suite 200  
Monterey Park, CA 91754

Members of the Board:

**AUDIT OF THE LOS ANGELES REGIONAL INTEROPERABILITY  
COMMUNICATION SYSTEM AUTHORITY FOR  
THE YEAR ENDED JUNE 30, 2011**

Attached are the independently audited financial statements for the Los Angeles Regional Interoperability Communication System Authority (LA-RICS) for the year ended June 30, 2011.

The auditor's report (attached) concludes that the financial statements are presented fairly in conformance with generally accepted accounting principles and State regulations governing special districts. The auditor also indicated that they found no material deficiencies in LA-RICS' controls over financial reporting.

If you have any questions, please call me, or your staff may contact Rachele Anema at (213) 974-8327.

Very truly yours,

Wendy L. Watanabe  
Auditor-Controller

WLW:JN:CY:RA

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Enclosure

c: Michael Iwanaga, County of Los Angeles, Chief Executive Office

**THOMPSON, COBB, BAZILIO & ASSOCIATES, PC**  
**CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT, SYSTEMS, AND FINANCIAL CONSULTANTS**

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**To the Board of Directors of  
The Los Angeles Regional Interoperable Communications System Authority**

In planning and performing our audit of the basic financial statements of the Los Angeles Regional Interoperable Communications System Authority (Authority) as of and for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

During our audit, we noted no matters involving internal control and operational matter that is presented for your consideration.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not bring to light all weaknesses in policies and procedures that may exist.

This communication is intended solely for the information and use of management, the Board of Directors, management and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Thank you for the opportunity to serve the Authority. We appreciate the courtesy and cooperation extended to us during our audit.

Torrance, California  
January 30, 2012

*Thompson, Cobb, Bazilio & Associates, P.C.*

**THOMPSON, COBB, BAZILIO & ASSOCIATES, PC**  
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January 30, 2012

To the Board of Directors of  
The Los Angeles Regional Interoperable Communications System Authority

We have audited the basic financial statements of the Los Angeles Regional Interoperable Communications System Authority (Authority) as of and for the year ended June 30, 2011, and have issued our report thereon dated January 30, 2012. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility under Generally Accepted Auditing Standards (and when applicable, Government Auditing Standards)**

Our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

There were no findings regarding significant control deficiencies over financial reporting and material noncompliance and other matters noted during our audit.

## **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to the County of Los Angeles at our entrance conference held on January 9, 2012.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 2 to the financial statements. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There were no sensitive accounting estimates affecting the financial statements.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There was no sensitive disclosure affecting the financial statements.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. There are no uncorrected misstatements relating to the Authority.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the management representation letter dated January 30, 2012.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Findings or Issues**

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

This report is intended for the information and use of the Board of Directors, management, others within the Authority, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Thompson, Cobb, Bazilia & Associates, P.C.*

The Los Angeles Regional  
Interoperable Communications System Authority

Financial Statements  
and Independent Auditor's Report

For the Year Ended June 30, 2011

**TCBA**

THOMPSON, COBB, BAZILIO & ASSOCIATES, P.C.  
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**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED JUNE 30, 2011**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
The Los Angeles Regional Interoperable Communications System Authority

We have audited the accompanying balance sheet of the Los Angeles Regional Interoperable Communications System Authority (Authority) as of June 30, 2011, and the related statement of revenues, expenditures and change in fund balance for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements and Reporting Guidelines for Special District. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2011, and the results of its operations and the changes in its fund balances thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2012 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (MD&A) and the Required Supplementary Information, as listed in the accompanying table of contents, are not a required part of the Authority's basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Authority taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic combined financial statements taken as a whole.

Torrance, California  
January 30, 2012

*Thompson, Cobb, Bazilio & Associates, P.C.*

**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2011**

The Management's Discussion and Analysis (MD&A) of the financial activities of the Los Angeles Regional Interoperability Communication System Authority (Authority) provides a narrative overview of the Authority's financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the accompanying basic financial statements, footnotes and supplementary information.

**Financial Highlights**

- During the current year, the Authority's assets totaled \$1,180,303. Cash and Investments deposited in the County Treasury Pool totaled \$914,134.
- Operating revenues totaled \$1,772,838 and mainly consisted of a federal grant in the amount of \$1,095,026 and contributions from the County of Los Angeles.
- The Authority has no short or long term debt.

**Overview of Financial Statements**

This MD&A serves as an introduction to the Authority's basic financial statements. The basic financial statements include four components: 1) Balance Sheet; 2) Statement of Revenues, Expenses and Changes in Fund Balance; 3) Notes to the Financial Statements and 4) Supplemental information.

- The Balance Sheet presents all of the Authority's assets and liabilities, with the difference reported as fund balance. Over time, increases or decreases in fund balance may serve as a useful indicator to determine whether the financial position of the Authority is improving or deteriorating.
- The Statement of Revenues, Expenses and Changes in Fund Balance present information showing how the Authority's fund balance changed during the fiscal year. All changes in fund balance (revenues and expenses) are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Accordingly, revenues and expenses are reported in this statement for items that will result in cash flows in future fiscal periods (e.g. accrued but unpaid contract and professional service fees).
- The notes provide additional information that is essential for a full understanding of the data provided in the basic financial statements.
- The supplemental information includes schedules in the format of the basic financial statements, showing the activity for each fund.

**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2011  
(Continued)**

**Financial Statement Analysis**

The Authority is in its' initial year of operation. Operating revenues consist primarily of federal grants and contributions from the County of Los Angeles. Operating expenses consist primarily of contract and professional service fees.

**Capital Assets**

As of June 30, 2011, the Authority had no capital assets.

**Debt Administration**

As of June 30, 2011, the Authority had no outstanding debt.

**Economic Factors**

The Authority was established to engage in regional and cooperative planning and coordination of governmental services to establish a wide-area interoperable public safety communications network (commonly referred to as the "Los Angeles Regional Interoperable Communication Systems (LA-RICS)"). The Authority is a collaborative effort of local government, law enforcement, fire service, and health professionals with elected and appointed officials working towards the common goal to develop LA-RICS.

The Authority is the recipient of the Broadband Technology Opportunity Program (BTOP) grant administered by the Department of Commerce (DOC) to fund its proposed public safety broadband network. The grant will continue to be administered by DOC in Fiscal Year 2011-2012.

The following LA-RICS activity is anticipated for Fiscal Year 2011- 2012:

- The selection of an Environmental Services Contractor for the mobile broadband data system. The process has now concluded and the Authority has signed a three year contract totaling approximately \$1.5 million.
- We anticipate executing a contract for Project Management services in March 2012.
- The contract cost for the LTE broadband mobile data system will be reimbursable under the Broadband Technology Opportunities (BTOP) grant award.

**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2011  
(Continued)**

**Contacting the Authority's Financial Management**

This financial report is designed to provide our citizens and other interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the County of Los Angeles, Department of Auditor-Controller, 500 West Temple Street, Room 525, Los Angeles, CA 90012.

**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**BALANCE SHEET**

June 30, 2011

Assets

Cash and investments (Note 3)	\$ 914,134
Interest receivable	2,130
Accounts receivable (Note 4)	264,039
Total assets	<u>\$ 1,180,303</u>

Liabilities and Fund Balance

Accounts payable	\$ 102,906
Loans payable (Note 5)	1,166,307
Total liabilities	<u>1,269,213</u>
Fund balance – unassigned (Note 2)	(88,910)
Total liabilities and fund balance	<u>\$ 1,180,303</u>

See accompanying notes to the basic financial statements.

**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
For the Year Ended June 30, 2011**

Revenues

Federal grants	\$ 1,095,026
Local match (Note 7)	538,693
Contribution from other governmental agencies	133,693
Interest income	<u>5,426</u>
Total revenues	<u>1,772,838</u>

Expenditures

Consultants' services	1,281,314
Donated services (Note 7)	538,693
Travel and transportation	27,661
Personnel services	2,192
Miscellaneous	<u>11,888</u>
Total expenditures	<u>1,861,748</u>

Excess (deficiency) of revenues over expenditures (88,910)

Fund balance, beginning of year -

Fund balance, end of year \$ (88,910)

See accompanying notes to the basic financial statements.

**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30; 2011

**NOTE 1 – REPORTING ENTITY**

The Los Angeles Regional Interoperable Communications System Authority (Authority), a separate public entity, was created in May 2009 through a Joint Powers Agreement (JPA) between the Los Angeles County, the City of Los Angeles, and eighty-three (83) other public agencies located in the greater Los Angeles Area. The Authority was created to exercise the powers shared in common by its members to engage in regional and cooperative planning and coordination of the governmental services to establish a wide-area interoperable public safety communications network.

The Authority is governed by a seventeen (17) member Board of Directors which serves without compensation. The 17 Board members consists of the following:

1. County of Los Angeles, Chief Executive Officer
2. County of Los Angeles, Fire Chief
3. County of Los Angeles, Sheriff
4. County of Los Angeles, Department of Health Services Director
5. City of Los Angeles, City Administrative Officer
6. City of Los Angeles, Fire Chief
7. City of Los Angeles, Police Chief
8. City of Los Angeles, Chief Legislative Analyst
9. Los Angeles Unified School District Police Chief
10. City of Long Beach
11. Los Angeles Area Fire Chief Association
12. Los Angeles County Police Chiefs Association
13. California Contract Cities Association
14. City of Torrance
15. City of Culver City, Police Chief
16. City of Covina, Police Chief
17. City of Burbank Water & Power

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Fund Accounting**

The accounts of the Authority are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein operations of each fund are accounted for in a separate set of self-balancing accounts that record resources, related liabilities, obligations, reserves and equity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Government resources are allocated to and for individual funds based on the purpose for which they are spent and means by which spending activities are controlled.

**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2011

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Accounting (Continued)**

The Authority's General Fund is available for any authorized purpose and is used to account for and report all financial resources not accounted for and reported in another fund. Funding comes primarily from federal grants through the Department of Commerce, Broadband Technology Opportunities Program (BTOP) and contributions from the County of Los Angeles.

**Basis of Accounting**

The General fund is accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

**Fund Balances**

In the fund financial statements, the governmental funds report the classification of fund balance in accordance with GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." The reported fund balances are categorized as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

**Nonspendable Fund Balance** – amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories and long-term notes receivable.

**Restricted Fund Balance** – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only by changing the condition of the constraint.

**Committed Fund Balance** – amounts that can only be used for the specific purposes determined by a formal action of the Authority's highest level of decision-making authority, the Authority's Board. Commitments may be changed or lifted only by the Authority taking the same formal action that imposed the constraint originally. The underlying action that imposed the limitation needs to occur no later than the close of the fiscal year.



**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances (Continued)

Assigned Fund Balance – amounts intended to be used by the Authority for specific purposes that are neither restricted nor committed. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose.

Unassigned Fund Balance – the residual classification for the Authority's General Fund that includes amounts not contained in other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Authority's Board establishes, modifies, or rescinds fund balance commitments and assignments through the adoption of the budget and subsequent amendments that occur throughout the fiscal year.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

Revenue

Recognition of revenues arising from nonexchange transactions, which include revenues from grants and contributions, is based on the primary characteristic from which the revenues are received by the Authority. Grant funds are considered earned to the extent of expenditures made under the provisions of the grants.

Deferred revenue arises when potential revenues do not meet both the measurable and availability criteria for recognition in the current period. Deferred revenue also arises when the Authority receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualified expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Authority has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2011

**NOTE 3 - CASH AND INVESTMENTS**

The Authority's cash and investments are pooled and invested by the County Treasurer and are subject to withdrawal from the pool upon demand. The Authority's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on the fund's average cash and investment balance, as provided by the California Government code Section 53647. The Authority cash and investment balance as of June 30, 2011 is \$914,134.

Investment policies and associated risk factors applicable to the Authority are included in the County of Los Angeles' Comprehensive Annual Financial Report for the year ended June 30, 2011. Detailed deposit and investment risk disclosures are included in Note 5 of the County of Los Angeles' Comprehensive Annual Financial Report.

**NOTE 4 - ACCOUNTS RECEIVABLE**

Accounts receivable as of June 30, 2011 in the amount of \$264,039, represents a receivable from the Department of Commerce for allowable Broadband Technology Opportunities Program expenditures.

**NOTE 5 - LOANS PAYABLE**

The initial funding of the Authority's start-up and operational costs was provided through a cash operating loan from the County of Los Angeles. This loan bears no interest and has no definite repayment schedule. The balance of this loan as of June 30, 2011 was \$1,166,307.

**NOTE 6 - OFFICE LEASE**

The Authority occupies, rent free, 5,093 square feet of space in a building located in Monterey Park, California leased by the Los Angeles County Sheriff's Department. The lease expense is absorbed by the Los Angeles County Sheriff's Department.

**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2011**

**NOTE 7 – LOCAL MATCH**

The BTOP grant requires the Authority to provide, from non-federal sources not less than 20 percent of the total project cost. Matching funds can be in the form of either cash or in-kind contributions. The Authority has recorded the in-kind contributions and donated services in the amount of \$538,693.

**NOTE 8 – COMMITMENTS AND CONTINGENCIES**

The Authority receives federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowed expenditures under terms and grants, it is believed that any repayment resulting from disallowances will not be material.

For the fiscal year ended June 30, 2011, the Authority is not subject to a review and audit by the grantor agencies.

**NOTE 9 – CONTINGENT LIABILITIES**

The Authority is aware of potential claims that may be filed against them. The outcome of these matters is not presently determinable, but the resolution of these matters is not expected to have a significant impact on the financial condition of the Authority.

**NOTE 10 – SUBSEQUENT EVENTS**

In preparing these financial statements, the Authority has evaluated events and transactions for potential recognition or disclosure through January 30, 2012, the date the financial statements were issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budget Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>Revenues:</b>				
Federal grants	\$ -	\$ -	\$ 1,095,026	\$ 1,095,026
Local Match (Note 7)	-	-	538,693	538,693
Contribution from other governmental agencies	17,798,000	17,798,000	133,693	(17,664,307)
Interest income	-	-	5,426	5,426
Total revenue	<u>17,798,000</u>	<u>17,798,000</u>	<u>1,772,838</u>	<u>(16,025,162)</u>
<b>Expenditures:</b>				
Consultant' services	1,900,000	1,900,000	1,281,314	618,686
Donated services (Note 7)	-	-	538,693	(538,693)
Travel and transportation	-	-	27,661	(27,661)
Personnel services	5,248,000	5,248,000	2,192	5,245,808
Miscellaneous	650,000	650,000	11,888	638,112
Capital projects	10,000,000	10,000,000	-	10,000,000
Total expenditures	<u>17,798,000</u>	<u>17,798,000</u>	<u>1,861,748</u>	<u>15,936,252</u>
Excess (deficiency) of revenues over expenditures	-	-	(88,910)	(88,910)
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (88,910)</u>	<u>\$ (88,910)</u>

See accompanying notes to required supplementary information.

**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2011

**BUDGETARY DATA**

The Authority adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions. Under this system, the current year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

**AUDIT OF FEDERAL AWARDS PROGRAMS**

**THOMPSON, COBB, BAZILIO & ASSOCIATES, PC**  
CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT, SYSTEMS, AND FINANCIAL CONSULTANTS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
The Los Angeles Regional Interoperable Communications System Authority

We have audited the accompanying basic financial statement of the Los Angeles Regional Interoperable Communications System Authority (Authority) as of and for the year ended June 30, 2011 and have issued our report thereon dated January 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on effectiveness of the Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management and others within the Authority, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Torrance, California  
January 30, 2012

*Thompson, Cobb, Bazilio & Associates, P.C.*

**THOMPSON, COBB, BAZILIO & ASSOCIATES, PC**  
CERTIFIED PUBLIC ACCOUNTANTS AND MANAGEMENT, SYSTEMS, AND FINANCIAL CONSULTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors of  
The Los Angeles Regional Interoperable Communications System Authority

**Compliance**

We have audited the compliance of Los Angeles Regional Interoperable Communications System Authority (Authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement*, that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

## **Internal Control over Compliance**

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program as a basis for designing our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management and others within the Authority, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Torrance, California  
January 30, 2012

*Thompson, Cobb, Bazilio & Associates, P.C.*

**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2011**

Federal Grantor/Pass-Through Grantor / Program Title	CFDA Number	Grant Amount	Grant Period	Federal Expenditures
<b>FEDERAL</b>				
<u>U.S. Department of Commerce/National Telecommunications and Information Administration</u>				
Broadband Technology Opportunities Program (BTOP) – ARRA	11.557*	\$154,640,000	9/1/10 -8/30/13	\$ 1,095,026
Total Federal Expenditures				<u>\$ 1,095,026</u>

\* Major Program

See accompanying notes to schedule of expenditures of federal awards.

**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2011**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Los Angeles Regional Interoperable Communications System Authority and is presented using the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**THE LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**A - Financial Statements**

- |  |               |
|--|---------------|
| 1) Type of auditor’s report issued:  | Unqualified   |
| 2) Internal control over financial reporting:  |               |
| a) Material weakness (es) identified?  | No            |
| b) Significant deficiency (ies) identified not considered to be material weaknesses? | None reported |
| 3) Noncompliance material to financial statements noted?                             | No            |

**B - Federal Awards**

- |   |               |
|---|---------------|
| 1) Type of auditor’s report issued on compliance for major programs:                                  | Unqualified   |
| 2) Internal control over major programs:  |               |
| a) Material weakness(es) identified?  | No            |
| b) Significant deficiency(ies) identified not considered material weakness(es)?                       | None reported |
| 3) Any audit findings disclosed that are required to be reported in accordance with OMB A-133.510(a)? | No            |

**LOS ANGELES REGIONAL  
INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2011**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS (Continued)**

**B - Federal Awards (Continued)**

**4) Identification of major program:**

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
11.557	Broadband Technology Opportunities Program (BTOP) – ARRA

5) Dollar threshold used to distinguish between  
Type A and Type B programs: \$300,000

6) Auditee qualified as low-risk auditee? No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None reported.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported.

**SECTION IV – PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

This is the first year audit.

**LA-RICS Grant Status Report**  
**State Homeland Security Grant Program (SHSGP)**  
*As of March 29, 2012*

Funding Purpose	Total Funded	SHSGP 07	SHSGP 08	SHSGP 09	SHSGP 10	SHSGP 11	Comments
by SHSGP		Performance: 04/30/12 Close: 5/31/12	Performance: 04/30/12 Close: 5/31/12	Performance: 04/30/12 Close: 5/31/12	Performance: 04/30/13 Close: 5/31/13	Performance: 04/30/14 Close: 5/31/14	
<b>Planning</b>							
Beginning Balance	\$ 1,640,998.00	\$ 1,640,998.00					
Funds Used	\$ (1,640,998.00)	\$ (1,640,998.00)					
Ending Balance	\$ -	\$ -					
<b>System Design</b>							
Beginning Balance	\$ 6,852,418.00		\$ 6,852,418.00				
Funds Used	\$ (303,227.00)		\$ (303,227.00)				
Funds Returned	\$ (5,549,191.00)		\$ (5,549,191.00)				
Funds Returned	\$ (1,000,000.00)		\$ (1,000,000.00)				
Ending Balance	\$ -		\$ -				Planning/Executive Director and Telecommunications Consultant fees Funds were returned on 11/3/2011 Funds were returned on 2/24/2012
<b>System Design</b>							
Beginning Balance	\$ 5,769,201.00			\$ 5,769,201.00			
Funds Used	\$ -			\$ -			
Ending Balance	\$ 5,769,201.00			\$ 5,769,201.00			A request was filed on March 27, 2012 to extend this grant's deadline. A modification request will be filed to include Project Management and Environmental Assessment in the project scope.
<b>Equipment</b>							
Beginning Balance	\$ 5,315,000.00				\$ 5,315,000.00		
Funds Used	\$ -				\$ -		
Ending Balance	\$ 5,315,000.00				\$ 5,315,000.00		
<b>Equipment</b>							
Beginning Balance	\$ 3,000,000.00					\$ 3,000,000.00	
Funds Used	\$ -					\$ -	
Ending Balance	\$ 3,000,000.00					\$ 3,000,000.00	
<b>Summary</b>							
Beginning Balance	\$ 22,577,617.00	\$ 1,640,998.00	\$ 6,852,418.00	\$ 5,769,201.00	\$ 5,315,000.00	\$ 3,000,000.00	
Funds Used/Returned	\$ (8,493,416.00)	\$ (1,640,998.00)	\$ (6,852,418.00)	\$ -	\$ -	\$ -	
Ending Balance	\$ 14,084,201.00	\$ -	\$ -	\$ 5,769,201.00	\$ 5,315,000.00	\$ 3,000,000.00	



**LA-RICS Grant Status Report**  
**Broadband Technology Opportunities Program (BTOP)**  
*As of March 29, 2012*

<b>Funding Purpose and Use</b>	<b>Total Funded by BTOP and LA-RICS</b>	<b>Funded by BTOP Grant</b>	<b>LA-RICS Cash Match</b>	<b>LA-RICS In Kind Match</b>	<b>Comments</b>
<b><u>Administrative and Legal</u></b>					
Beginning Balance \$	13,297,104.00	\$ 10,611,620.00	\$ 2,685,484.00	\$ -	LA-RICS' cash match consists of services provided by LA-RICS staff for project management support: administrative, accounting, secretarial (\$1,076,407) and operations support from the Sheriffs and Fire Departments (\$1,609,077).
Funds Used \$	(999,240.42)	\$ -	(999,240.42)	\$ -	
Ending Balance \$	<b>12,297,863.58</b>	<b>\$ 10,611,620.00</b>	<b>\$ 1,686,243.58</b>	<b>\$ -</b>	
<b><u>Architectural and Engineering</u></b>					
Beginning Balance \$	16,360,786.00	\$ 14,817,550.00	\$ -	\$ 1,543,236.00	LA-RICS' in-kind match consists of architectural and engineering services provided or paid by LA-RICS for the design, implementation and management of LA-Safety Net.
Funds Used \$	(1,398,132.34)	(1,398,132.34)	\$ -	\$ -	
Ending Balance \$	<b>14,962,653.66</b>	<b>\$ 13,419,417.66</b>	<b>\$ -</b>	<b>\$ 1,543,236.00</b>	LA-RICS in-kind match consists of existing backhaul transport equipment for the LTE network. The project will use 56 microwave hops owned by LA-RICS members valued at \$250,000/hop for a total of \$4,200,000; in addition, the project will use 131,502 feet of member-owned fiber valued at \$1,689,315.
Beginning Balance \$	113,368,574.00	\$ 92,973,710.00	\$ 14,505,549.00	\$ 5,889,315.00	
Funds Used \$	-	\$ -	\$ -	\$ -	
Ending Balance \$	<b>113,368,574.00</b>	<b>\$ 92,973,710.00</b>	<b>\$ 14,505,549.00</b>	<b>\$ 5,889,315.00</b>	
<b><u>Land, Structures, Rights-of-way</u></b>					
Beginning Balance \$	73,597,901.00	\$ 35,817,120.00	\$ -	\$ 37,780,781.00	LA-RICS in-kind match is for land use by LTE transceiver equipment and operating cost of data centers. <u>Land use:</u> Based on market study, each member-owned land was conservatively valued at \$178,635.23 for the 204 sites included in the design. Total land valuation is \$36,441,587. Data Centers. In addition, existing Network Operations Centers will be utilized at 35% capacity, estimated to cost \$1,339,194.
Funds Used \$	-	\$ -	\$ -	\$ -	
Ending Balance \$	<b>73,597,901.00</b>	<b>\$ 35,817,120.00</b>	<b>\$ -</b>	<b>\$ 37,780,781.00</b>	LA-RICS' cash match consists of the installation and provisioning of new LTE broadband wireless devices (34,000 devices at \$25 each)
Beginning Balance \$	1,270,000.00	\$ 420,000.00	\$ 850,000.00	\$ -	
Funds Used \$	-	\$ -	\$ -	\$ -	
Ending Balance \$	<b>1,270,000.00</b>	<b>\$ 420,000.00</b>	<b>\$ 850,000.00</b>	<b>\$ -</b>	<i>The grant deadline is 08/30/2013</i>
<b><u>Miscellaneous</u></b>					
Beginning Balance \$	217,894,365.00	\$ 154,640,000.00	\$ 18,041,033.00	\$ 45,213,332.00	
Funds Used \$	(2,397,372.76)	(1,398,132.34)	(999,240.42)	\$ -	
Ending Balance \$	<b>215,496,992.24</b>	<b>\$ 153,241,867.66</b>	<b>\$ 17,041,792.58</b>	<b>\$ 45,213,332.00</b>	
<b><u>SUMMARY:</u></b>					



## LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

2525 Corporate Place, Suite 200  
Monterey Park, California 91754  
(323) 881-8291

PATRICK J. MALLON  
EXECUTIVE DIRECTOR

April 5, 2012

Board of Directors  
Los Angeles Regional Interoperable Communications System ("LA-RICS") Authority  
(the "Authority")

Dear Directors:

### **AUTHORITY ELECTIONS FOR AT LARGE BOARD MEMBERS**

#### **SUBJECT**

Per the Authority's Bylaws, the Board of Directors must set a date for mail-in ballot elections of the At Large Director and Alternate Director seats, 6 months prior to the expiration of terms.

#### **RECOMMENDED ACTION**

It is recommended that the Board:

1. Extend the term of the At Large Directors and Alternates to Thursday, November 1, 2012.
2. Set the date for At Large Directors and Alternates mail-in ballot elections for Thursday, November 1, 2012.

#### **BACKGROUND**

On June 2, 2011, the Board of Directors approved a motion to suspend Section 3.01 of the Authority's Bylaws for a period of one year (per Article III Section 3.01 of the Bylaws), thereby postponing the At Large Director and Alternate Director elections.

On December 15, 2011, the Board of Directors approved a motion to set the At Large Member Directors and Alternate Directors mail-in ballot elections for Thursday, June 7, 2012, with the caveat that the Authority's counsel would review the consistency of the Authority's Bylaws with the Joint Powers Agreement regarding which member cities may vote for the At Large Directors and Alternate Directors seats.

On February 2, 2012, the Board of Directors approved a motion to vacate the election timeline established, since the date selected for the election did not meet the 6-month requirement outlined in the Bylaws due to the rescheduling of the December Board meeting.

On February 27, 2012, we provided the Board of Directors with a confidential attorney-client communication from the Authority's counsel regarding the consistency of the Authority's Bylaws with the Joint Powers Agreement regarding which member cities may vote for the At Large Directors and Alternate Directors seats.

**AGENDA ITEM 6**

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

It is recommended that your Board (a) extend the term of the At Large Directors and Alternates seats until Thursday, November 1, 2012, and (b) set the date for At Large Directors and Alternates mail-in ballot elections for **Thursday, November 1, 2012**. With these recommended actions, this date is in compliance with the requirements in Section 3.01 of the Bylaws. The following At Large Directors and Alternates seats up for election are:

Director Seat 1	Torrance
Director Seat 2	Culver City
Director Seat 3	Burbank
Director Seat 4	Covina

Alternate Seat 1	El Segundo
Alternate Seat 2	Beverly Hills
Alternate Seat 3	Pomona
Alternate Seat 4	Whittier

Tentative Timeline:

Event	Deadline
Candidate nominations due	August 2, 2012
Ballots issued to member agencies	October 2, 2012
Final call for ballots	November 1, 2012

**FISCAL IMPACT/FINANCING**

There is no fiscal impact.

**FACTS AND PROVISIONS/LEGAL REQUIREMENT**

The Authority's counsel has reviewed the recommended action.

**AGREEMENTS/CONTRACTING**

No agreements are necessary.

Respectfully submitted,

  
PATRICK J. MALLON  
EXECUTIVE DIRECTOR

PJM:sh

c: Counsel to the Authority



# LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM AUTHORITY

2525 Corporate Place, Suite 200  
Monterey Park, California 91754  
(323) 881-8291

PATRICK J. MALLON  
EXECUTIVE DIRECTOR

April 5, 2012

Board of Directors  
Los Angeles Regional Interoperable Communications System ("LA-RICS") Authority  
(the "Authority")

Dear Directors:

## **APPROVAL OF URBAN AREA SECURITY INITIATIVE (UASI) 2008 SUB-RECIPIENT AGREEMENT**

### **RECOMMENDED ACTIONS**

It is recommended that the Board:

1. Delegate authority to the Executive Director to execute the UASI 2008 Subrecipient Agreement with the City of Los Angeles, as the grant administrator, for \$346,251 in UASI 08 funds, substantially similar to the attached form.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended action is to delegate authority to the Executive Director to execute a subrecipient agreement with the City of Los Angeles, as the grant administrator, for UASI 2008 funds, to be used for the Land Mobile Radio (LMR) portion of the contract for environmental documentation services with UltraSystems Environmental, Inc. ("UltraSystems"). The costs for deliverables under the UltraSystems contract for which the UASI 2008 funds will be used are in the amount of \$346,251.

The subrecipient agreement will provide for the disbursement of UASI 2008 funds. The Authority is expected to pay the vendor directly and will seek reimbursement from the City of Los Angeles under the subrecipient agreement.

### **BACKGROUND**

The LA-RICS Authority requires professional consultation services to ensure environmental compliance associated with the development and installation of the LMR portion of the LA-RICS system. The LA-RICS Authority issued a competitive request for proposals for professional services for an environmental review consultant. The consultant will provide environmental services to evaluate the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) associated with the analysis, design, and implementation of the LA-RICS project. The environmental review for the LA-RICS project is a critical step, as the CEQA and NEPA documents must be approved before construction of the project can move forward.

**FISCAL IMPACT/FINANCING**

There is no fiscal impact at this time. Costs associated with the UASI 2008 grant will be fronted by LA-RICS and submitted to the City of Los Angeles for UASI 08 grant reimbursement.

**FACTS AND PROVISIONS/LEGAL REQUIREMENT**

The Authority's counsel has reviewed the recommended action.

**AGREEMENTS/CONTRACTING**

This recommendation would authorize the Executive Director to execute the UASI 2008 Subrecipient Agreement with the City of Los Angeles.

Respectfully submitted,



PATRICK J. MALLON  
EXECUTIVE DIRECTOR

PJM:sh

c: Counsel to the Authority

SUBRECIPIENT AGREEMENT

Jurisdiction: Los Angeles Regional Interoperable Communications System Authority ("LA-RICS"), a joint powers authority

Title: FY 08 Urban Area Security Initiative (UASI) Grant Program

City Contract Number \_\_\_\_\_

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## EXHIBITS

- Exhibit A Insurance (Not applicable to this Agreement)
- Exhibit B Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions
- Exhibit C Certification Regarding Lobbying
- Exhibit D Certification Regarding Drug Free Requirements
- Exhibit E Grant Assurances
- Exhibit F Part IV: Application and Submission Subpart E Funding Restrictions
- Exhibit G Part VIII, Other Information - HSGP Allowable Costs, HSGP Allowable Expenses, Allowable Planning, Training, and Exercise Examples Specific to Law Enforcement Terrorism Prevention-oriented Activities
- Exhibit H Intentionally Omitted
- Exhibit I Equipment Ledger
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- Exhibit S Establish/Enhance JRIC Request Form
- Exhibit T Forma Project Timeline

AGREEMENT NUMBER \_\_\_\_\_ OF CITY CONTRACTS  
BETWEEN  
THE CITY OF LOS ANGELES  
AND LOS ANGELES REGIONAL INTEROPERABLE COMMUNICATIONS SYSTEM  
AUTHORITY ("LA-RICS"), A JOINT POWERS AUTHORITY

THIS SUBRECIPIENT AGREEMENT ("Agreement" or "Contract") is made and entered into by and between the City of Los Angeles, a municipal corporation (the "City,"), and the Los Angeles Regional Interoperable Communications System Authority ("LA-RICS"), a joint powers authority created under the laws of California (the "Subgrantee" or "Subrecipient").

W I T N E S S E I H

WHEREAS, the U.S. Department of Homeland Security ("DHS" or "Grantor"), through the Office of Grants and Training ("G&T"), has provided financial assistance to the Los Angeles/ Long Beach Urban Area ("LA/LBUA") through the Fiscal Year (FY) 2008 Urban Areas Security Initiative Grant Program ("UASI 08" or the "Grant") in the amount of \$60,822,000.00 ("Grant Funds"), such Grant Funds having been awarded by Grantor to the City, as a Core City, for use in the LA/LBUA and such Grant having been accepted by the City Council on March 31, 2009 (C.F. # 08-0901); and

WHEREAS, DHS is providing Federal grants funding and assistance to the LA/LBUA in order help achieve its mission of securing the United States of America from the many threats it faces; and

WHEREAS, DHS achieves its mission by meeting four areas of responsibility, which are: guarding against terrorism, securing our borders, enforcing our immigration laws, and improving readiness for, response to and recovery from disasters;

WHEREAS, the LA/LBUA consists of the City of Los Angeles, the City of Long Beach, the unincorporated area of the County of Los Angeles, and participating jurisdictions, including the Subrecipient; and

WHEREAS, this financial assistance is administered by the City of Los Angeles and is overseen by the California Emergency Management Agency ("CalEMA"); and

WHEREAS, this financial assistance is being provided to address the unique equipment, training, planning, organization, and exercise needs of large urban areas, and to assist them in building an enhanced and sustainable capacity to prevent, respond to, and recover from threats or acts of terrorism; and

WHEREAS, the City has designated the Office of the Mayor, Office of Homeland Security and Public Safety ("Mayor's Office") to provide for the proper monitoring of the funding and administration of the Grant; and

WHEREAS, the Mayor's Office now wishes to distribute UASI 08 Grant Funds allocated to the Subrecipient as a participating jurisdiction in the LA/LBUA as further detailed in this Agreement;

WHEREAS, the City and Subrecipient are desirous of executing this Agreement as authorized by the City Council and the Mayor which authorizes the City to prepare and execute this Agreement (C.F. # 12-0367, 3/27/12).

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and the mutual benefits to be derived therefrom, the City and the Subrecipient (each a "Party" and collectively, the "Parties") agree as follows:

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

I.  
INTRODUCTION

§101. Parties to the Agreement

The Parties to this Agreement are:

- A. The City of Los Angeles, a municipal corporation, having its principal office at 200 North Spring Street, Los Angeles, California 90012; and
- B. Los Angeles Regional Interoperable Communications System Authority ("LA-RICS"), a joint powers authority, having its principal office at 2525 Corporate Place, Suite 200, Monterey Park, CA 91754.

§102. Representatives of the Parties and Service of Notices

- A. The representatives of the respective parties who are authorized to administer this Agreement and to whom formal notices, demands and communications shall be given are as follows:

- 1. The representative of the City of Los Angeles shall be, unless otherwise stated in this Agreement:

Eileen Decker, Deputy Mayor  
Office of the Mayor, Homeland Security and Public Safety  
200 N. Spring Street, Room 303  
Los Angeles, CA 90012  
Phone: (213) 978-0687  
Fax: (213) 978-0718  
Eileen.Decker@lacity.org

- 2. The representative of the Los Angeles Regional Interoperable Communications System Authority ("LA-RICS"), a joint powers authority shall be:

Patrick Mallon, LA-RICS Executive Director  
2525 Corporate Place, Suite 200, Monterey Park, CA 91754  
Office: 323-881-8290  
Fax: 323-264-0718  
Email: pat.mallon@la-rics.org

with a copy to:

Susy Orellana-Curtiss  
2525 Corporate Place, Suite 200  
Monterey Park, CA 91754  
Office: (323) 881-8292  
Fax: (323) 264-0718  
Email: Susy.Orellana-Curtiss@LA-RICS.org

- B. Formal notices, demands and communications to be given hereunder by either party shall be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and shall be deemed communicated as of the date of mailing.
- C. If the name of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice shall be given, in accord with this section, within five (5) business days of said change.

§103. Independent Party

Subrecipient is acting hereunder as an independent party, and not as an agent or employee of the City. No employee of Subrecipient is, or shall be, an employee of the City by virtue of this Agreement, and Subrecipient shall so inform each employee organization and each employee who is hired or retained under this Agreement. Subrecipient shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the City by virtue of this Agreement.

§104. Conditions Precedent to Execution of This Agreement

Subrecipient shall provide copies of the following documents to the City, unless otherwise exempted.

- A. This Section is Left Intentionally Blank
- B. Certifications Regarding Ineligibility, Suspension and Debarment as required by Executive Orders 12549 and 12689 in accordance with §415.A.12 of this Agreement and attached hereto as Exhibit B and made a part hereof.
- C. Certifications and Disclosures Regarding Lobbying in accordance with §415.A.4 of this Agreement and attached hereto as Exhibit C and made a part hereof. Subrecipient shall also file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of the information contained in any Disclosure Form previously filed by Subrecipient.

- D. Certification Regarding Drug Free Workplace Requirements in accordance with § 415.A.13 of this Agreement and attached hereto as Exhibit D and made a part hereof.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

II.

TERM AND SERVICES TO BE PROVIDED

§201. Time of Performance

The term of this Agreement shall be from October 22, 2008 to October 31, 2012 (the "Term"); provided, however, that any and all expenditures made by Subrecipient shall be reimbursed by Subrecipient's allocation of Grant Funds pursuant to this Agreement only if such expenditures were made no later than 30 days prior to the end of the Term of this Agreement (the "Expenditure Deadline"). Any and all expenditures made by Subrecipient after the Expenditure Deadline shall not be reimbursed under this Agreement unless, prior to such expenditure, the Mayor's Office, in its sole discretion, has approved in writing the making of such expenditure after the Expenditure Deadline. Subrecipient shall cooperate with any necessary close out activities in connection with its use of the Grant Funds.

§202. Use of Grant Funds

- A. Subrecipient's allocations and use of funds under this Grant shall comply and be in accordance with, and subject to, the guidance, regulations and requirements set forth in the following: (1) DHS FY 2008 Homeland Security Grant Program Guidance and Application Kit ("DHS 08 Guidance"), (2) DHS Information Bulletins, (3) CalEMA's FY 08 Homeland Security Grant Program California Supplement to Federal Guidance and Application Kit ("CalEMA 08 Supplement"), (4) CalEMA Grant Management Memos ("GMM"), (5) the current editions of the Office of Justice Programs ("OJP") Financial Guide and the DHS Financial Management Guide, (6) DHS/FEMA's Grants Management Common Rule as codified in Title 44 Code of Federal Regulations (CFR) Part 13, (7) CalEMA FY 08 Grant Assurances, attached hereto as Exhibit E and made a part hereof, and (8) this Agreement. Subrecipient shall use the Grant Funds allocated to it to support the goals and objectives included in the State and/or Urban Area Homeland Security Strategies as well as the investments and projects identified in the Investment Justifications, which were submitted as part of the California FY 2008 Homeland Security Grant Program application. Further, use of the Grant Funds is limited to those investments and projects included in the California FY08 Investment Justifications submitted to DHS/FEMA/CalEMA and evaluated through the peer review process. Subrecipient shall comply with any cost sharing commitments included in such FY08 Investment Justifications, where applicable. Subrecipient agrees that that Grant Funds will be used to supplement existing funds for program activities, and will not supplant (replace) non-Federal funds. Subrecipient shall assure that the Grant

Funds will support efforts related to providing an integrated mechanism to enhance the coordination of national priority efforts to prevent, respond to, and recover from terrorist attacks, major disasters and other emergencies.

Subrecipient hereby certifies that it has the legal authority to apply for the financial assistance given through the Grant and has the institutional, managerial and financial capability to ensure proper planning, management and completion of its projects being funded by the Grant Funds. Subrecipient shall assure that Grant Funds allocated to it are used for allowable, fair and reasonable costs only and will not be transferred between programs (State Homeland Security Program, Urban Area Security Initiative, Citizen Corps Program, and Metropolitan Medical Response System) or fiscal years. Subrecipient shall notify City and CalEMA of any developments that have a significant impact on Grant Fund supported activities of Subrecipient, including changes to key program staff. Subrecipient shall cooperate with any assessments, national evaluation efforts, or information or data collection requests, including, but not limited to, the provision of any information required for the assessment or evaluation of any activities contemplated by this Agreement. Subrecipient shall not be delinquent in the repayment of any Federal debt.

- B. Subrecipient and the City have previously completed a mutually approved Budget/Expenditure Plan, dated March 29, 2012 (the "Budget"). The Budget contains detailed listings of items and projects for expenditure under the terms of this Agreement and the Grant, and Subrecipient shall use the funds disbursed under this Agreement only for such items. Any request by Subrecipient to modify the Budget must be made in writing and must be approved in writing by the Parties during the term of this Agreement.
1. Any request by Subrecipient to modify the Budget must be made in writing and accompanied by a completed Modification Request Form, attached hereto as Exhibit M. All modification requests must be approved in writing by the City during the term of this Agreement to be effective.
  2. Budget modification requests must be submitted to the City no later than 30 days before the end of each fiscal quarter for which the modification is sought. Submissions made after the deadline will be returned to the Subrecipient and will not be accepted until the following submission period. The City will notify the Subrecipient in writing if modification requests are inaccurate and/or incomplete. Inaccurate and/or incomplete modification requests shall be returned to the Subrecipient for revision and shall be accepted by the City when modification requests are accurate and complete.



Subrecipient shall not expend any Grant Funds on modified budget items until such modification is approved by the City and CalEMA/Grantor.

3. Final modification requests must be submitted to the City no later than 30 days prior to the end of the applicable Grant performance period deadline to provide the City time to meet CalEMA/Grantor requirements. At that time, any unexpended funds may be re-directed to other needs across the LA/LBUA. The City will notify Subrecipient, in writing, when unexpended balances may be re-directed.
- C. Subrecipient shall complete a UASI 08 Project Timeline provided by the City to manage its allocation of the Grant Funds. A UASI 08 Project Timeline is attached hereto as Exhibit T. Subrecipient shall provide a UASI 08 Project Timeline and any reports requested by the City regarding performance of this Agreement by a date specified by the City. Plans and reports shall be in the form as set forth in Exhibit T and shall be provided in a timely manner. The completion of each milestone and deliverable referenced in the UASI 08 Project Timeline is subject to the prior review and written approval of the City. Subject to prior City approval, Subrecipient may update the UASI 08 Project Timeline quarterly, if necessary, and provide such updates to the City in order to monitor and evaluate Subrecipient's performance. Failure to meet any milestones or deadlines as set forth in Subrecipient's UASI 08 Project Timeline may result in the City reducing Grant Funds allocated to the Subrecipient, as more fully set forth in §301 of this Agreement.
  - D. Subrecipient shall initiate and complete work on a project within the applicable time frame after receipt of approval for such project from CalEMA. CalEMA may grant extensions to the time of performance for a project at its sole discretion. Any request by Subrecipient to extend the time of performance for a project must be made in writing to the Mayor's Office. All extension requests must be approved by CalEMA in writing during the term of this Agreement to be effective.
  - E. Project extension requests must be submitted to the City no later than 30 days before the end of the applicable project time of performance. The City will notify the Subrecipient in writing if project extension requests are inaccurate and/or incomplete. Inaccurate and/or incomplete project extension requests shall be returned to the Subrecipient for revision and shall be accepted by the City when project extension requests are accurate and complete.

- F. Any equipment acquired pursuant to this Agreement shall be authorized subject to, and in compliance with the CalEMA 08 Supplement, GMMs, UASI Authorized Equipment List (<https://www.rkb.us>), DHS Information Bulletins, and DHS 08 Guidance, which includes Part V: Application and Submission Subpart E Funding Restrictions (attached as Exhibit F hereto and made a part hereof), and Part VIII, Other Information - HSGP Allowable Costs, HSGP Allowable Expenses, Allowable Planning, Training, Organization, and Exercise Examples Specific to Law Enforcement Terrorism Prevention-oriented Activities (attached as Exhibit G hereto and made a part hereof). Subrecipient shall provide the City a copy of its most current procurement guidelines and follow its own procurement requirements as long as they meet the minimum federal requirements, which include, but are not limited to, those regulations set forth in OMB Circulars A-87, A-21, A-21, A-102 A-110, A-122, A-133, Executive Order (E.O.) 12372, Title 28 CFR Parts 66 and 70, the current editions of the OJP Financial Guide and the DHS Financial Management Guide, and Title 44 CFR Part 13.

Any equipment acquired or obtained with Grant Funds:

1. Shall be made available pursuant to applicable terms of the California Disaster and Civil Defense Master Mutual Aid Agreement in consultation with representatives of the various fire, emergency medical, hazardous materials response services, and law enforcement agencies within the jurisdiction of the LA/LBUA, and deployed with personnel trained in the use of such equipment in a manner consistent with the California Law Enforcement Mutual Aid Plan or the California Fire Services and Rescue Mutual Aid Plan;
  2. Shall be consistent with needs as identified in the State Homeland Security Strategy and will be deployed in conformance with that Strategy.
- G. For the purposes of this subsection, "Equipment" is defined as nonexpendable property that is not consumed or does not lose its identity by being incorporated into another item of equipment, which costs \$5,000 or more per unit, or is expected to have a useful life of one (1) year or more. Items costing less than \$5,000, but falling into the following categories are also considered Equipment: (1) electronics communications equipment for stationary or vehicular use, including cellular telephones acquired by lease or purchase, and (2) electronic office equipment, including facsimile machines, copiers, electric typewriters, personal computers (monitors and CPU's), terminals and printers.
1. Equipment shall be used by Subrecipient in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds.

When no longer needed for the original program or project, the Equipment may be used in other activities currently or previously supported by a Federal agency.

2. Subrecipient shall make Equipment available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by the awarding agency.
3. An equipment ledger, attached hereto as Exhibit I, shall be maintained for each item of Equipment acquired for the program. This record must be updated quarterly and forwarded to the City along with completed reimbursement request forms (Exhibit P), when applicable. Records must be retained pursuant to 28 CFR Part 66, the current editions of the OJP Financial Guide and the DHS Financial Management Guide, and Title 44 CFR Part 13. For each piece of equipment, the record shall include:
  - (a) The line item number and project number as stated in the Budget
  - (b) The equipment description as stated in the Budget
  - (c) The Authorized Equipment Listing number (AEL) found at <http://www.rkb.mipt.org>
  - (d) The AEL title
  - (e) The invoice number
  - (f) The vendor
  - (g) Total cost (prime vendor)
  - (h) Total cost (general)
  - (i) Cash request #
  - (j) Acquired date
  - (k) ID Tag #
  - (l) The condition and disposition of the equipment, indicating whether it is new or used
  - (m) The deployed location, including the address and/or name of the facility where the equipment is located
  - (n) The name and contact information to whom the equipment is assigned.
  - (o) Environmental and Historical Preservation (EHP) Notes

4. All equipment obtained under this Agreement shall have an LA/LBUA identification decal affixed to it, and, when practical, shall be affixed where it is readily visible. Subrecipient also agrees that, when practicable, any equipment purchased with Grant Funds shall be prominently marked as follows: *"Purchased with funds provided by the U.S. Department of Homeland Security."*
5. A physical inventory of the Equipment shall be taken and the results reconciled with the Equipment records at least once every year.
6. Subrecipient must obtain a performance bond for any equipment item over \$250,000; or any vehicle, aviation or watercraft (regardless of the cost) financed with UASI grant funds.
7. Requests for aviation equipment must be made in writing and accompanied by a completed Aviation Equipment Request form, attached hereto as Exhibit Q.
8. Requests to establish or enhance Emergency Operation Centers (EOCs) must be made in writing and accompanied by a completed Establish/Enhance EOC Request form, attached hereto as Exhibit R.
9. Requests to establish or enhance the LA/LBUA Joint Regional Intelligence Center (JRIC) must be made in writing and accompanied by a completed Establish/Enhance JRIC Request form, attached hereto as Exhibit S.
10. Aviation, EOC and JRIC Request forms must be approved by CalEMA in writing during the term of this Agreement. Request forms must be submitted to the City within 60 days of project commencement date. Purchases may not be made nor may the project commence until Request forms are submitted to and approved by the City. The City will notify the Subrecipient in writing if Request forms are inaccurate and/or incomplete. Inaccurate and/or incomplete Request forms shall be returned to the Subrecipient for revision and shall be accepted by the City when Request forms are accurate and complete.
11. If applicable, Subrecipient must meet the deadline for the any equipment items listed in its UASI 08 Project Timeline, as approved by the City.

12. Notwithstanding anything to the contrary in this Agreement, Equipment must meet all mandatory regulatory and/or DHS-adopted standards to be eligible for purchase using Grant Funds. In addition, Subrecipient shall be responsible for obtaining and maintaining all necessary certifications and licenses for the requested Equipment.
- H. Any training paid pursuant to this Agreement shall be authorized subject to, and in compliance with the CalEMA 08 Supplement, GMMs, DHS Information Bulletins, and DHS 08 Guidance, which includes Part V: Application and Submission Subpart E Funding Restrictions (attached as Exhibit F hereto and made a part hereof), and Part VIII, Other Information - HSGP Allowable Costs, HSGP Allowable Expenses, Allowable Planning, Training, and Exercise Examples Specific to Law Enforcement Terrorism Prevention-oriented Activities (attached as Exhibit G hereto and made a part hereof) and must be pre-authorized by CalEMA at <http://www.ohs.ca.gov/hseep/TrainingHome.html>. A catalogue of Grantor approved and sponsored training courses are available at [http://www.firstrespondertraining.gov/odp\\_webforms](http://www.firstrespondertraining.gov/odp_webforms).
- I. Any exercise undertaken pursuant to this Agreement shall be authorized subject to, and in compliance with the CalEMA 08 Supplement, GMMs, DHS Information Bulletins, and DHS 08 Guidance, which includes Part V: Application and Submission Subpart E Funding Restrictions (attached as Exhibit F hereto and made a part hereof), and Part VIII, Other Information - HSGP Allowable Costs, HSGP Allowable Expenses, Allowable Planning, Training, and Exercise Examples Specific to Law Enforcement Terrorism Prevention-oriented Activities (attached as Exhibit G hereto and made a part hereof). Detailed Homeland Security Exercise and Evaluation Program Guidance is available at <http://hseep.dhs.gov>.
- J. Any planning paid pursuant to this Agreement shall be authorized subject to, and in compliance with the CalEMA 08 Supplement, GMMs, DHS Information Bulletins, and DHS 08 Guidance, which includes Part V: Application and Submission Subpart E Funding Restrictions (attached as Exhibit F hereto and made a part hereof), and Part VIII, Other Information - HSGP Allowable Costs, HSGP Allowable Expenses, Allowable Planning, Training, and Exercise Examples Specific to Law Enforcement Terrorism Prevention-oriented Activities (attached as Exhibit G hereto and made a part hereof). Subrecipient must have a City approved, tangible deliverable for the planning project. Reference materials and additional details are available at <http://www.calema.ca.gov>

- K. Funds utilized to establish or enhance state and local fusion centers must support the development of a statewide fusion process that corresponds with the Global Justice/Homeland Security Advisory Council (HSAC) Fusion Center Guidelines, follow the Federal and State approved privacy policies, and achieve (at a minimum) a baseline level of capability as defined by the Fusion Capability Planning Tool.
- L. Any organizational activities paid pursuant to this Agreement shall be authorized subject to, and in compliance with the CalEMA 08 Supplement, GMMs, DHS Information Bulletins, and DHS 08 Guidance, which includes Part V: Application and Submission Subpart E Funding Restrictions (attached as Exhibit F hereto and made a part hereof), and Part VIII, Other Information - HSGP Allowable Costs, HSGP Allowable Expenses, Allowable Planning, Training, and Exercise Examples Specific to Law Enforcement Terrorism Prevention-oriented Activities (attached as Exhibit G hereto and made a part hereof). Plans and reports shall be in the form requested by the City, and shall be provided in a timely manner.
- M. As required by CalEMA, the City shall provide Subrecipient with an electronic, interactive, Financial Management Forms Workbook, based on the pro forma template, incorporated herein by reference. Subrecipient shall continuously maintain the Project Management Workbook to access, complete and update the following documents:
- (1) Reimbursement Checklist
  - (2) Reimbursement Request Form
  - (3) Equipment Ledger
  - (4) Training Roster
  - (5) Exercise Roster
  - (6) Planning Roster
- N. Any and all requests for Sole Source procurements or contracts must be approved by the City and CalEMA prior to Subrecipient entering into such contract. Such request shall be made on a Sole Source Request Form, as attached hereto as Exhibit N. Any such request may be denied by City and CalEMA in their sole discretion.

### III. PAYMENT

#### §301. Payment of Grant Funds and Method of Payment

- A. The City of Los Angeles shall disburse to Subrecipient its allocated Grant amount of \$346,251.00 to be used for purchase of equipment, planning, exercises, organizational activities, and training as described in Section 202 above. The Grant Amount represents the amount allocated to Subrecipient in the UASI 08 grant award and budget, as may be amended. The disbursement shall be made on a reimbursement basis only.

Subrecipient shall maintain procedures to minimize the time elapsing between the award of Grant Funds and the expenditure of funds to be reimbursed by such Grant Funds.

- B. Subrecipient shall prepare, maintain and provide to the City invoices requesting payment as well as purchase orders, proof of delivery, proof of payment and payroll records, timesheets, receipts and any other supporting documentation necessary to fully and accurately describe the expenditure of funds for which reimbursement from Grant Funds is sought under this Agreement. All such supporting documentation shall satisfy applicable federal, state and City audit and review standards and requirements. Such documentation shall be prepared at the sole expense and responsibility of the Subrecipient, and the City will not reimburse the Subrecipient for any costs incurred for such preparation. The City may request, in writing, changes to the content and format of such documentation at any time, and the City reserves the right to request additional supporting documentation to substantiate costs incurred at any time. In addition, each reimbursement request shall be accompanied by the Reimbursement Request Form (attached hereto as Exhibit P) and Equipment Ledger (Exhibit I), Training Roster (Exhibit J), Planning Roster (Exhibit L) and/or Exercise Roster (Exhibit K), as applicable, detailing the expenditures made by Subrecipient as authorized by Section 202 above. For equipment for which Subrecipient is requesting reimbursement, an equipment ledger (Exhibit I) and all appropriate back-up documentation must be attached to the reimbursement form, including invoices and supporting documentation, including proof of payment and proof of delivery. For training and exercise reimbursements, Subrecipient must include a copy of the class training roster (attached hereto as Exhibit L) or class exercise roster (attached hereto as Exhibit K) verifying training attendees, proof that a CalEMA tracking number has been assigned to the course, and supporting documentation, including timesheets and payroll registers for all training attendees.

1. The Grantor seeks to encourage Regional Projects, where two or more jurisdictions or Urban Areas join together on a given project for the common good of the region. For regional project reimbursements, Subrecipient must include approval from the lead agency for all submitted invoices.
  2. Reimbursement requests must be submitted to the City monthly. Final reimbursement requests for the grant period must be submitted to the City on or before October 31, 2012. The City will notify the Subrecipient in writing if reimbursement requests are inaccurate and/or incomplete. Inaccurate and/or incomplete reimbursement requests shall be returned to the Subrecipient for revision and shall be accepted by the City when reimbursement requests are accurate and complete.
- C. Payment of final invoices shall be withheld by the City until the City has determined that Subrecipient has turned in all supporting documentation and satisfied the requirements of this Agreement.
- D. If applicable, Subrecipient must account separately for all interest income earned from the Grant Funds. In accordance with OJP financial guidelines and 44 CFR Part 13, interest earned on Grant Funds must be reported and returned to the City. Subrecipient will maintain records of and account for any interest earned, if applicable, on Grant Funds. If applicable, Subrecipient shall promptly return to the City all Grant Funds received which exceed the approved, actual expenditures as accepted by CalEMA and Grantor. In the event the amount of the Grant Funds allocated to Subrecipient is reduced, the reimbursement payable to the Subrecipient will be reduced accordingly.
- E. It is understood that the City makes no commitment to fund this Agreement beyond the terms set forth herein.
- F. This section intentionally blank.
- G. Funding for all periods of this Agreement is subject to the continuing availability to the City of federal funds for this program from the Grantor. The Agreement may be terminated immediately upon written notice to Subrecipient of such loss or reduction of federal grant funds.
- H. The City reserves the right at any time to modify the amount of Grant Funds allocated to the Subrecipient in this Agreement in the event that the Subrecipient does not meet milestone spending deadlines or other project milestones for their contemplated projects as set forth in Subrecipient's UASI 08 Project Timeline. The Subrecipient will be notified in writing of such modifications made to its allocation of Grant Funds for failure to meet milestones or deadlines set forth in its UASI 08 Project Timeline. Such



modifications include, but are not limited to, suspension, termination or reduction of Grant Funds allocated to the Subrecipient. In addition, Subrecipient shall promptly repay to City any unapproved expenditures relating to such modifications.

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#### IV. STANDARD PROVISIONS

##### §401. Construction of Provisions and Titles Herein

All titles, subtitles, or headings in this Agreement have been inserted for convenience and shall not be deemed to affect the meaning or construction of any of the terms or provisions hereof. The language of this Agreement shall be construed according to its fair meaning and not strictly for or against either party. The word "Subrecipient" herein and in any amendments hereto includes the party or parties identified in this Agreement. The singular shall include the plural. If there is more than one Subrecipient as identified 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.

##### §402. 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 County of Los Angeles, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing laws which affect employees. This Agreement shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. Subrecipient shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement.

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

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

##### §403. Integrated Agreement

This Agreement sets forth all of the rights and duties of the parties with respect to the subject matter hereof, and replaces any and all previous agreements or

understandings, whether written or oral, relating thereto. This Agreement may be amended only as provided for herein.

§404. Excusable Delays

In the event that performance on the part of any party hereto shall be delayed or suspended as a result of circumstances beyond the reasonable control and without the fault and negligence of said party, none of the parties shall incur any liability to the other parties as a result of such delay or suspension.

Circumstances deemed to be beyond the control of the parties hereunder shall include, but not be limited to, acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes, freight embargoes or delays in transportation; to the extent that they are not caused by the party's willful or negligent acts or omissions and to the extent that they are beyond the party's reasonable control.

§405. Breach

Except for excusable delays as described in §404 herein, 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.

§406. Prohibition Against Assignment or Delegation

Subrecipient may not, unless it has first obtained the written permission of the City:

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

§407. Permits

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

§408. Nondiscrimination and Affirmative Action

- A. Subrecipient shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the County of Los Angeles. In performing this Agreement, the Subrecipient shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, mental disability, marital status, domestic partner status, or medical condition. The Subrecipient shall comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60).
- B. (This section intentionally left blank.)
- C. Any subcontract entered into by the Subrecipient relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

§409. Los Angeles City Business Tax Registration Certificate

Under the terms of this Agreement, the City's Business Tax Ordinance (Article 1, Chapter 2, Sections 21.00 and following, of the Los Angeles Municipal Code) is not applicable.

§410. Bonds

Duplicate copies of all bonds, which may be required hereunder, shall conform to City requirements established by charter, ordinance or policy and all federal requirements regarding the use of Grant Funds and shall be filed with the Office of the City Administrative Officer, Risk Management for its review in accordance with Los Angeles Administrative Code Sections 11.47 through 11.56.

§411. Indemnification

Each of the parties to this Agreement is a public entity. In contemplation of the provisions of Section 895.2 of the Government Code of the State of California imposing certain tort liability jointly upon public entities, solely by reason of such entities being parties to an Agreement as defined by Section 895 of said Code, the parties hereto, as between themselves, pursuant to the authorization

contained in Section 895.4 and 895.6 of said Code, will each assume the full liability imposed upon it or upon any of its officers, agents, or employees by law, for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement, to the same extent that such liability would be imposed in the absence of Section 895.2 of said Code. To achieve the above-stated purpose, each party indemnifies and holds harmless the other party solely by virtue of said Section 895.2. The provision of Section 2778 of the California Civil Code is made a part hereto as if fully set forth herein. Subrecipient certifies that it has adequate self insured retention of funds to meet any obligation arising from this Agreement.

- A. Pursuant to Government Code Section 895.4 and 895.6, the parties shall each assume the full liability imposed upon it, or any of its officers, agents or employees, by law for injury caused by any negligent or wrongful act or omission occurring in the performance of this Agreement.
- B. Each party indemnifies and holds harmless the other party for any loss, costs, or expenses that may be imposed upon such other party by virtue of Government Code section 895.2, which imposes joint civil liability upon public entities solely by reason of such entities being parties to an agreement, as defined by Government Code section 895.
- C. In the event of third-party loss caused by negligence, wrongful act or omission by both Parties, each party shall bear financial responsibility in proportion to its percentage of fault as may be mutually agreed or judicially determined. The provisions of Civil Code Section 2778 regarding interpretation of indemnity agreements are hereby incorporated.

#### §412. Conflict of Interest

- A. Subrecipient shall establish safeguards to prohibit employees from using their positions for a purpose that constitutes, or presents the appearance of, personal or organizational conflict of interest, or personal gain for themselves or others, particularly those with whom they have family, business, or other ties. Subrecipient covenants that none of its directors, officers, employees, or agents shall participate in selecting, or administering any subcontract supported (in whole or in part) by Federal funds where such person is a director, officer, employee or agent of the subcontractor; or where the selection of subcontractors is or has the appearance of being motivated by a desire for personal gain for themselves or others such as family business, etc.; or where such person knows or should have known that:
  - 1. A member of such person's immediate family (as such term is defined under the California Political Reform Act, California Government Code §87100 et seq.), or domestic partner or organization has a financial interest in the subcontract;

2. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or
3. The participation of such person would be prohibited by 44 CFR Section 13.36, the California Political Reform Act, California Government Code §87100 et seq. and/or the Los Angeles County Code if such person were a public officer, because such person would have a "financial or other interest" in the subcontract.

B. Definitions:

1. The term "immediate family" shall be as defined under the applicable provisions of the California Political Reform Act, California Government Code §887100 et seq.
2. The term "financial or other interest" includes but is not limited to:
  - a. Any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
  - b. Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent or more; ownership of five percent or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.

C. (This section intentionally left blank.)

D. The Subrecipient further covenants that no officer, director, employee, or agent shall solicit or accept gratuities, favors, anything of monetary value from any actual or potential subcontractor, supplier, a party to a sub agreement, (or persons who are otherwise in a position to benefit from the actions of any officer, employee, or agent).

E. The Subrecipient shall not subcontract with a former director, officer, or employee within a one year period following the termination of the relationship between said person and the Subrecipient.

F. Prior to obtaining the City's approval of any subcontract, the Subrecipient shall disclose to the City any relationship, financial or otherwise, direct or indirect, of the Subrecipient or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees.

G. For further clarification of the meaning of any of the terms used herein, the parties agree that references shall be made to the guidelines, rules, and

laws of the County of Los Angeles, State of California, and Federal regulations regarding conflict of interest.

- H. The Subrecipient warrants that it has not paid or given and will not pay or give to any third person any money or other consideration for obtaining this Agreement.
- I. The Subrecipient covenants that no member, officer or employee of Subrecipient shall have interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with this project during his/her tenure as such employee, member or officer or for one year thereafter.
- J. The Subrecipient shall incorporate the foregoing subsections of this Section into every agreement that it enters into in connection with this project and shall substitute the term "subcontractor" for the term "Contractor" and "sub subcontractor" for "Subcontractor".

§413. Insurance

This section is not applicable to this Agreement, and is intentionally left blank.

§414. Restriction on Disclosures

Any reports, analysis, studies, drawings, information, or data generated as a result of this Agreement are to be governed by the California Public Records Act (California Government Code Sec. 6250 et seq.).

§415. Compliance with State and Federal Statutes and Regulations

A. Statutes and Regulations Applicable To All Grant Contracts

Subrecipient shall comply with all applicable requirements of Federal, State, and County laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this Agreement. Subrecipient shall comply with state and federal laws and regulations pertaining to labor, wages, hours, and other conditions of employment. Subrecipient shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. When reference is made in the provisions set forth in this Section 415 with regards to laws, rules and regulations "as applicable" (or a variation thereof) to the Subrecipient, it shall be construed to mean "as applicable" to the Subrecipient as a subgrantee of the Grant. These requirements include, but are not limited to:

1. Office of Management and Budget (OMB) Circulars

Subrecipient shall comply with OMB Circulars, as applicable: OMB Circular A-21 (Cost Principles for Educational Institutions); OMB Circular A-87 (Cost Principles for State, Local, and Indian Tribal Governments); OMB Circular A-102 (Grants and Cooperative Agreements with State and Local Governments); Common Rule, Subpart C for public agencies or OMB Circular A-110 (Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations); OMB Circular A-122 (Cost Principles for Non-Profit Organizations); OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations).

2. Single Audit Act

If Federal funds are used in the performance of this Agreement, Subrecipient shall adhere to applicable rules and regulations of the Single Audit Act, 31 USC Sec. 7501 et seq.; City Council action dated February 4, 1987 (C.F. No. 84 2259 S1); and any administrative regulation or field memos implementing such Act.

3. Americans with Disabilities Act

Subrecipient hereby certifies that it will comply, as may be applicable, with the Americans with Disabilities Act 1990 ("ADA"), 42 USC §§ 12101 et seq., and its implementing regulations, including Subtitle A, Title II of the ADA. Subrecipient will, as may be applicable, provide reasonable accommodations to allow qualified individuals with disabilities to have access to and to participate in its programs, services and activities in accordance with the provisions of the ADA. Subrecipient will not discriminate against persons with disabilities nor against persons due to their relationship to or association with a person with a disability. Any contract entered into by the Subrecipient (or any subcontract thereof), relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this paragraph.

4. Political and Sectarian Activity Prohibited

- a. None of the funds, materials, property or services provided directly or indirectly under this Agreement shall be used for any partisan political activity, or to further the election or defeat of any candidate for public office. Subrecipient shall not use any funds provided under this Agreement be used, directly or indirectly, to support the enactment, defeat, repeal, modification or adoption of any law, regulation, pending legislation, pending regulation, or policy (pending or otherwise), at any level of government. None of the funds



provided pursuant to this Agreement shall be used for any sectarian purpose or to support or benefit any sectarian activity.

- b. Concurrent with the execution of this Agreement, Subrecipient shall submit to the City a Certification Regarding Lobbying and a Disclosure Form in accordance with 31 U.S.C. 1352. A copy of the Certificate is attached hereto as Exhibit C and incorporated herein. No funds will be released to Subrecipient until the Certification is filed.
- c. Subrecipient shall file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of any of the information contained in any Disclosure Form previously filed by Subrecipient. Subrecipient shall require that the language of this Certification be included in the award documents for all sub-awards at all tiers and that all subcontractors shall certify and disclose accordingly.

5. Records Inspection

- a. At any time during normal business hours and as often as the City, the Federal government, the General Accounting Office, the Comptroller General of the United States, the State of California and the Office of Inspector General may deem necessary, Subrecipient shall make available for examination all of its records with respect to all matters covered by this Agreement. Subrecipient hereby gives City, the Federal government, the General Accounting Office, the Comptroller General of the United States, the State of California and the Office of Inspector General, through any authorized representative, access to, and the right to examine, audit and make excerpts or transcripts of, all non-privileged paper or electronic records, books, or documents related to the Grant Funds and all matters covered by this Agreement, including, but not limited to all Subrecipient's invoices, materials, payrolls, records of personnel, conditions of employment and other data.
- b. Subrecipient agrees to provide any reports requested by the City regarding performance of the Agreement.

6. Records Maintenance

Records, in their original form, shall be maintained in accordance with requirements prescribed by the City and CalEMA/Grantor with

respect to all matters covered on file for all documents specified in this Agreement. Original forms are to be maintained on file for all documents specified in this Agreement. Such records shall be retained for a period of five (5) years after termination of this Agreement and after final disposition of all pending matters. "Pending matters" include, but are not limited to, an audit, litigation or other actions involving records. The City may, at its discretion, take possession of, retain and audit said records. Records, in their original form pertaining to matters covered by this Agreement, shall at all times be retained within the County of Los Angeles unless authorization to remove them is granted in writing by the City. Subrecipient shall establish a proper accounting system in accordance with generally accepted accounting standards and/or CalEMA/Grantor directives.

7. Subcontracts and Procurement

Subrecipient shall comply, as applicable, with the State, Federal and Subrecipient standards in the award of any subcontracts, including complying with provisions set forth in 44 CFR 13.36. For purposes of this Agreement, subcontracts shall include but not be limited to purchase agreements, rental or lease agreements, third party agreements, consultant service contracts and construction subcontracts.

Subrecipient shall ensure that the terms of this Agreement with the City are incorporated into all subcontract agreements. Subrecipient shall submit all Subcontractor Agreements to the City for review prior to the release of any funds to the subcontractor. Subrecipient shall withhold funds to any subcontractor agency that fails to comply with the terms and conditions of this Agreement and their respective subcontract agreement.

8. Labor

- a. Subrecipient shall comply, as applicable, with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System Personnel Administration (5 CFR 900, Subpart F).
- b. Subrecipient shall comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), the Contract Work Hours and Safety Standards Act (40 U.S.C.

§§327-333), regarding labor standards for federally-assisted construction subagreements, and the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328), which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

- c. Subrecipient shall comply, as applicable, with the Federal Fair Labor Standards Act (29 U.S.C. § 201), as they apply to employees of institutions of higher education, hospitals, and other non-profit organizations.
- d. None of the funds shall be used to promote or deter union/labor organizing activities in accordance with California Government Code §16645 et seq.

9. Civil Rights

Subrecipient shall comply, as applicable, with all Federal and State statutes relating to civil rights and nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352), as amended, which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681- 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) The Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616) as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to non-discrimination in the sale, rental or financing of housing; (i) Title 44 Code of Regulations (CFR) Parts 7, 16, and 19 relating to nondiscrimination; (j) the requirements of any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; (k) the nondiscrimination requirements and all other provisions of the current edition of the OJP Financial and Administrative Guide for Grants, M7100.1; and (l) P.L. 93-348 regarding the protection of

human subjects involved in research, development, and related activities supported by this award of assistance.

In the event that a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, religion, national origin, gender or disability against Subrecipient or any of its subgrantees, contractors or subcontractors being funded with Grant Funds, the Subrecipient will forward a copy of the finding to the City and the Office of Civil Rights, Office of Justice Programs.

10. Environmental

- a. Subrecipient shall comply, as applicable, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. §4601 et seq. [P.L. 91-646]) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or Federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases. Subrecipient shall also comply, as applicable, with Title 44 CFR, Part 25, Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-assisted programs.
- b. Subrecipient shall comply, as applicable, with, and provide any information requested by DHS/FEMA/CalEMA to ensure compliance with, the following laws: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Orders (EO) 11514 and 12898; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93205); and (i) the flood insurance purchase requirements of the

Flood Disaster Protection Act of 1973 §102(a) (P.L. 93-234) which requires recipients of Federal funds in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is ten thousand dollars (\$10,000) or more.

- c. Subrecipient shall comply with all applicable Federal, State, and local environmental and historical preservation (EHP) requirements. Failure to meet Federal, State, and local EHP requirements and obtain applicable permits may jeopardize Federal funding. Subrecipient shall comply, as applicable, with all conditions placed on any project as the result of the EHP review, and any change to the scope of work of a project will require re-evaluation of compliance with these EHP requirements. Subrecipient agrees not to undertake any project funded by the Grant having the potential to impact the EHP resources without prior written approval of City and DHS/FEMA/CalEMA, including, but not limited to, ground disturbance, construction, modification to any structure, communications towers, physical security enhancements, and purchase and/or use of any sonar equipment. Any construction related activities initiated prior to full EHP review will result in a noncompliance finding. If ground-disturbing activities occur during the project implementation, the Subrecipient must ensure monitoring of the disturbance. If any potential archaeological resources are discovered, the Subrecipient will immediately cease activity in that area and notify the City and DHS/FEMA/CalEMA and the appropriate State Historic Preservation Office.
- d. Subrecipient shall comply, as applicable, with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
- e. Subrecipient shall comply, if applicable, with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
- f. Subrecipient shall comply, as applicable, with the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.) which restores and maintains the chemical, physical and biological integrity of the Nation's waters.

- g. Subrecipient shall ensure that the facilities under its ownership, lease or supervision which shall be utilized in the accomplishment of Subrecipient's projects funded by the Grant are not on the Environmental Protection Agency's (EPA) List of Violating Facilities, and it will notify the City and DHS/FEMA/CalEMA of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.
- h. Subrecipient is and shall be, as applicable, in compliance with the California Environmental Quality Act (CEQA), Public Resources Code §21000 et seq. and California Code of Regulations, Title 14, Chapter 3 Section 15000-15007.
- i. Subrecipient shall comply, as applicable, with the Energy Policy and Conservation Act (P.L. 94-163, 89 Stat. 871).
- j. Subrecipient shall comply with applicable provisions of the Coastal Barrier Resources Act (P.L. 97-348) dated October 19, 1982 (16 U.S.C. 3501 et seq.) which prohibits the expenditure of most new Federal funds within the units of the Coastal Barrier Resources System.

11. Preservation

Subrecipient shall comply, as applicable, with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).

12. Suspension and Debarment

Subrecipient shall comply, as applicable, with Federal Register, Volume 68, Number 228, regarding Suspension and Debarment, and Subrecipient shall submit a Certification Regarding Debarment required by Executive Order 12549 and 12689 and any amendment thereto (attached hereto as Exhibit B and made a part hereof). Said Certification shall be submitted to the City concurrent with the execution of this Agreement and shall certify that neither Subrecipient nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department head or agency. Subrecipient shall require that the language of this Certification be included in the award documents for all sub-award at all tiers and that all subcontractors shall certify accordingly.

Subrecipient shall not make any award or permit any award (subcontract or contract) to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549 and 12689, "Debarment and Suspension."

13. Drug-Free Workplace

Subrecipient shall comply, as applicable, with the Federal Drug-Free Workplace Act of 1988, 41 U.S.C. §701 et. seq., 28 CFR Part 67, and the California Drug-Free Workplace Act of 1990, Government Code §§ 8350-8357. Subrecipient shall execute and submit to the City concurrent with the execution of this Agreement the Certification Regarding Drug Free Workplace Requirements attached hereto as Exhibit D and made a part hereof.

14. Miscellaneous

Subrecipient shall comply, if applicable, with the Laboratory Animal Welfare Act of 1966, as amended (P.L. 89-544, 7 U.S.C. §§2131 et seq.), pertaining to the care, handling and treatment of warm blooded animals held for research, teaching, or other activities supported by these Grant Funds. Pursuant to the Consolidated Appropriations Act of 2008 (P.L. 110-161) grant funds must not be used in contravention of the federal buildings performance and reporting requirements of Executive Order No. 13123, part 3 of Title V of the National Energy Conservation Policy Act (42 U.S.C. 8251 et seq.) or subtitle A of Title I of the Energy Policy Act of 2005 (including the amendments made thereby), nor shall Grant Funds be used in contravention of section 303 of the Energy Policy Act of 1992 (42 U.S.C. 13212).

B. Statutes and Regulations Applicable To This Particular Grant

Subrecipient shall comply with all applicable requirements of state and federal laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this particular Grant program. Subrecipient shall comply with new, amended, or revised laws, regulations, and/or procedures that apply to the performance of this Agreement. These requirements include, but are not limited to:

1. Title 28 Code of Federal Regulations (CFR) Parts 66 and 70; EO 12372; Current edition of the OJP *Financial Guide* (M7100.1); Current edition of the DHS Financial Management Guide; U.S. Department of Homeland Security, Office of State and Local Government Coordination and Preparedness, Office for Domestic

Preparedness, *Urban Areas Security Initiative Grant Program II*; ODP WMD Training Course Catalogue; and DOJ Office for Civil Rights Regulations; Title 2 CFR Parts 215, 225, 220, and 230; Title 44 CFR, including part 13; Federal Acquisition Regulations (FAR), Part 31.2 Contract Cost Principles and Procedures, Contracts with Commercial Organizations; DHS 08 Guidance; CalEMA 08 Supplement; CalEMA 08 Grant Assurances (attached hereto as Exhibit E); DHS Information Bulletins; and GMMs.

2. Standardized Emergency Management System (SEMS) requirements as stated in the California Emergency Services Act, Government Code Chapter 7 of Division 1 of Title 2, § 8607.1(e) and CCR Title 19, §§ 2445-2448.
3. Technology Requirement:
  - a. Subrecipient shall use the latest National Information Exchange Model (NIEM) specifications and guidelines regarding the use of Extensible Markup Language (XML) for all projects funded by this Grant. Further information about the required use of NIEM specifications and guidelines is available at [www.niem.gov](http://www.niem.gov).
  - b. For any information technology system funded by Grant Funds under this Agreement, Subrecipient shall ensure that such project complies with 28 CFR Part 23, *Criminal Intelligence Systems Operating Policies*, if such regulation is determined to be applicable.
4. In accordance with section 6 of the Hotel and Motel Fire Safety Action of 1990, 15 U.S.C. §2225a, Subrecipient shall ensure that all conference, meeting, convention, or training space funded in whole or in part with Grant Funds complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, 15 U.S.C. §2225.

C. Travel Expenses

Subrecipient as provided herein shall be compensated for reasonable travel expenses incurred in the performance of this Agreement, to include travel and per diem, unless otherwise expressed. Subrecipient's total travel for in-State and/or out-of-State and per diem costs shall be included in the contract budget(s). All travel including out-of-State travel not included in the budget(s) shall not be reimbursed without prior written authorization from the Mayor's Office.



Subrecipient's travel and per diem reimbursement costs shall be reimbursed in accordance with City policy, Subrecipient's policies and procedures, and federal rules and regulations regarding this Grant.

D. Noncompliance

Subrecipient understands that failure to comply with any of the above assurances or the Grant Assurances (as hereinafter defined) may result in suspension, termination or reduction of Grant Funds, and repayment by Subrecipient to City of any unlawful expenditures.

E. Compliance with Grant Assurances

To obtain the Grant Funds, the Grantor required an authorized representative of the City to sign certain promises regarding the way the Grant Funds would be spent ("Grant Assurances"), attached hereto as Exhibit E. By signing these Grant Assurances, the City became liable to the Grantor for any funds that are used in violation of the Grant requirements. Subject to and without waiver of Subrecipient's rights of protest and appeal, Subrecipient shall be liable to the Grantor for any funds the Grantor determines that Subrecipient used in violation of these Grant Assurances. Subrecipient shall indemnify and hold harmless the City for any sums the Grantor determines Subrecipient used in violation of the Grant Assurances; provided, however, and without limiting any of the City's rights to such indemnity, that Subrecipient does not waive any rights of protest and appeal with respect to any such determination by Grantor. The provisions of this paragraph shall survive termination of this Agreement.

§416. Federal, State and Local Taxes

Federal, State and local taxes shall be the responsibility of Subrecipient as an independent party and not as a City employee.

§417. Inventions, Patents and Copyrights

A. Reporting Procedure for Inventions

If any project of Subrecipient funded under this Agreement produces any invention or discovery ("Invention") patentable or otherwise under Title 35 of the U.S. Code, including, without limitation, processes and business methods made in the course of work under this Agreement, Subrecipient shall report the fact and disclose the Invention promptly and fully to the City. The City shall report the fact and disclose the Invention to the Grantor/FEMA/CalEMA. Unless there is a prior agreement between the City and Grantor/FEMA/CalEMA, Grantor/FEMA/ CalEMA shall determine whether to seek protection on the Invention. Grantor/FEMA/CalEMA shall

determine how the rights in the Invention, including rights under any patent issued thereon, will be allocated and administered in order to protect the public interest consistent with the policy ("Policy") embodied in the Federal Acquisition Regulations System, which is based on Ch. 18 of Title 35 U.S.C. Sections 200 et seq. (Pub. L. 95-517, Pub. L. 98-620, 37 CFR part 401); Presidential Memorandum on Government Patent Policy to the Heads of the Executive Departments and Agencies, dated 2/18/1983); and Executive Order 12591, 4/10/87, 52 FR 13414, 3 CFR, 1987 Comp., p. 220 (as amended by Executive Order 12618, 12/22/87, 52 FR 48661, 3 CFR, 1987 Comp., p. 262). Subrecipient hereby agrees to be bound by the Policy, will contractually require its personnel to be bound by the Policy, and will consult with Grantor/FEMA/CalEMA regarding allocation of any patent rights that arise from, or are purchased with, Grant Funds.

B. Rights to Use Inventions

City and Grantor/FEMA/CalEMA shall have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to use, manufacture, improve upon, and allow others to do so for all government purposes, any Invention developed under this Agreement.

C. Copyright Policy

1. Unless otherwise provided by the terms of the Grantor/FEMA or of this Agreement, when copyrightable material ("Material") is developed as part of a project funded under this Agreement, the Grantor/FEMA, at Grantor/FEMA's discretion, may copyright the Material. If the Grantor/FEMA declines to copyright the Material, the Grantor/FEMA shall have an unencumbered right, and a non-exclusive, irrevocable, royalty-free license, to reproduce, publish, or otherwise use, and authorize others to use, for all government purposes: (a) any Material so developed and (b) any rights of copyright to which Subrecipient purchases ownership with Grant Funds.

2. Contractor shall comply with 24 CFR 85.34.

D. Rights to Data

The Grantor and the City shall have unlimited rights or copyright license to any data first produced or delivered under this Agreement. "Unlimited rights" means the right to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform and display publicly, or permit others to do so; as required by 48 CFR 27.401. Where the data are not first produced under this Agreement or are published copyrighted data with the notice of 17 U.S.C. Section 401 or 402, the Grantor acquires

the data under a copyright license as set forth in 48 CFR 27.404(f)(2) instead of unlimited rights. (48 CFR 27.404(a)).

E. Obligations Binding on Subcontractors

Subrecipient shall require all its contractors and subcontractors funded by Grant Funds to comply with the obligations of this section by incorporating the terms of this section into all contracts and subcontracts.

§418. Living Wage Ordinance Service Contractor Worker Retention and Living Wage Policy

This section is not applicable to this contract, and is intentionally left blank.

§419. Earned Income Tax Credit

Under the terms of this Agreement, Subrecipient is exempt from compliance with the provisions of Section 10.37.4 of the Los Angeles Administrative Code.

§420. Equal Benefits Ordinance

Under the terms of this Agreement, Subrecipient is exempt from compliance with the provisions of Section 10.37.4 of the Los Angeles Administrative Code.

§421. Contractor Responsibility Ordinance

Under the terms of this Agreement, Subrecipient is exempt from compliance with the provisions of the Contractor Responsibility Ordinance (CRO), Section 10.40 et seq., of Article 14, Chapter 1 of Division 10 of the Los Angeles Administrative Code.

§422. Slavery Disclosure Ordinance

Under the terms of this Agreement, Subrecipient is exempt from compliance with the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code.

§423. Child Support Assignment Orders

Under the terms of this Agreement, Subrecipient is exempt from compliance with the Child Support Assignment Orders Ordinance, Section 10.10 of the Los Angeles Administrative Code. Subrecipient shall comply with California Family Code Section 5230 et seq. as applicable.

§424. Minority, Women, and Other Business Enterprise Outreach Program

It is the policy of the City to provide minority business enterprises (MBEs), women business enterprises (WBEs) and all other business enterprises an equal opportunity to participate in the performance of all contracts and subcontracts, including procurement, construction and personal services. In accordance with CalEMA/Grantor directives, as applicable, Subrecipient agrees that, to the extent contractors or subcontractors are utilized, Subrecipient shall use small, minority, women-owned, or disadvantaged business concerns and contractors or subcontractors to the extent practicable and shall take the affirmative steps as set forth in 44 CFR 13.36(e).

§425. Publications

All publications created or published with funding under this Grant shall prominently contain the following statement: *"This document was prepared under a grant from FEMA's Grant Programs Directorate, U.S. Department of Homeland Security. Points of view or opinions expressed in this document are those of the authors and do not necessarily represent the official position or policies of FEMA's Grant Programs Directorate or the U.S. Department of Homeland Security."*

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V.  
DEFAULTS, SUSPENSION, TERMINATION, AND AMENDMENTS

§501. Defaults

Should Subrecipient fail for any reason to comply with the contractual obligations of this Agreement within the time specified by this Agreement, the City reserves the right to terminate the Agreement, reserving all rights under state and federal law.

§502. (This section intentionally left blank.)

§503. (This section intentionally left blank.)

§504. (This section intentionally left blank.)

§505. Amendments

Any change in the terms of this Agreement, including changes in the services to be performed by Subrecipient, and any increase or decrease in the amount of compensation/allocation which are agreed to by the City and Subrecipient shall be incorporated into this Agreement by a written amendment properly executed and signed by the person authorized to bind the parties thereto.

Subrecipient agrees to comply with all applicable future City Directives, or any rules, amendments or requirements promulgated by the City that directly relate to and are necessary to ensure City and/or Subrecipient compliance with applicable State and Federal requirements regarding the UASI 08 Grant Funding and its use pursuant to this Agreement.

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VI.  
ENTIRE AGREEMENT

§601. Complete Agreement

This Agreement contains the full and complete Agreement between the two parties. Neither verbal agreement nor conversation with any officer or employee of either party shall affect or modify any of the terms and conditions of this Agreement.

§602. Number of Pages and Attachments

This Agreement is executed in two (2) duplicate originals, each of which is deemed to be an original. This Agreement includes forty-one (41) pages and twenty (20) Exhibits which constitute the entire understanding and agreement of the parties.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the City and Subrecipient have caused this Agreement to be executed by their duly authorized representatives.

<p>APPROVED AS TO FORM AND LEGALITY: CARMEN TRUTANICH, City Attorney</p> <p>By _____ Deputy City Attorney</p> <p>Date _____</p>	<p>For: THE CITY OF LOS ANGELES ANTONIO R. VILLARAIGOSA, Mayor</p> <p>By _____ Antonio R. Villaraigosa, Mayor Homeland Security and Public Safety, Mayor's Office</p> <p>Date _____</p>
<p>ATTEST:</p> <p>JUNE LAGAMY, City Clerk</p> <p>By _____ Deputy City Clerk</p> <p>Date _____</p>	
<p>APPROVED AS TO FORM: JOHN F. KRATTLI, Acting County Counsel</p> <p>By _____ Amanda M.L. Drukker Senior Deputy County Counsel</p> <p>Date _____</p>	<p>For: Los Angeles Regional Interoperable Communications System Authority ("LA- RICS"), a joint powers authority</p> <p>By _____ Patrick Mallon, LA-RICS Executive Director</p> <p>Date _____</p>
<p>ATTEST:</p> <p>By _____ Patricia Saucedo, LA-RICS Executive Secretary</p> <p>Date _____</p>	<p>[SEAL]</p>

City Business License Number: \_\_\_\_\_  
 Internal Revenue Service ID Number: \_\_\_\_\_  
 Council File/OARS File Number: \_\_\_\_\_ Date of Approval \_\_\_\_\_  
 City Contract Number: \_\_\_\_\_