



COUNTY OF LOS ANGELES
DEPARTMENT OF BEACHES AND HARBORS



STAN WISNIEWSKI
DIRECTOR

KERRY GOTTLIEB
CHIEF DEPUTY

April 17, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVE AMENDMENT TO THE ADOPT-A-HIGHWAY
BEACH TRASH BARREL SPONSORSHIP AGREEMENT
(3RD and 4TH DISTRICTS)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the recommended actions are categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 4(j) of the County's Environmental Document Reporting Procedures and Guidelines.
2. Authorize and instruct the Chairman of the Board of Supervisors to sign the attached amendment (Amendment) to extend the current Beach Trash Barrel Sponsorship Agreement #69984 (Agreement) with Adopt-A-Highway Maintenance Corporation (Adopt-A-Highway) for an additional four months until October 23, 2006 to ensure that there will be no disruption in the public service of providing Beach Trash Barrels (Barrels) during the summer of 2006. For this extension, Adopt-A-Highway will pay the County a prorated annual payment and honor the County's exclusive advertising rights for selected beach sponsors on the Barrels. In turn, the exclusive beach sponsors will purchase advertising on a specific number of Barrels directly from Adopt-A-Highway (Attachment A).
3. Grant the Director of the Department of Beaches and Harbors (Director) authority, through this Amendment, to execute non-material amendments to the Agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The current Agreement with Adopt-A-Highway was approved by your Board on April 23, 1996 and will terminate on June 23, 2006. That Agreement annually provides the Department of Beaches and Harbors (Department) with 2500 – 3000 Barrels placed on beaches owned or operated by

Los Angeles County (Beaches) along with cash payments from the sale of advertising space on the Barrels. When that Agreement was adopted, the Department had only one exclusive beach sponsorship category in place, the lifeguard vehicle sponsorship, and Adopt-A-Highway was specifically restricted from selling advertising on the Barrels to other automotive companies in competition with the lifeguard vehicle sponsor. To facilitate our ability to attract other exclusive sponsorship agreements, this Amendment will mandate that Adopt-A-Highway grant exclusive advertising rights on the Barrels to all such sponsorships. It applies to the exclusive beach beverage sponsorship agreement that your Board recently approved with Great Spring Waters of America, Inc. and will apply to all other exclusive sponsorship programs the Department may develop for your Board's approval in the future.

In exchange for Adopt-A-Highway recognizing additional sponsors' exclusivity, this Amendment will also extend the Agreement's termination date to October 23, 2006. For those additional four months, Adopt-A-Highway will pay the County in July 2006 a prorated fee of \$12,500 per month for a total of \$50,000. This fee is derived from dividing the \$150,000 sponsorship payment due in the last agreement year (June 23, 2005 to June 22, 2006) into 12 monthly payments of \$12,500. As an added benefit to the County, by extending the termination date to beyond the summer season, the County is ensuring that there will be no disruption in the service provided to the public during those busy summer months.

The Amendment stipulates that Adopt-A-Highway is to annually receive a fee of \$33,500 with an approximate 9% annual increase directly from the sponsor of each new exclusive beach sponsorship category created by the County, which is meant to compensate Adopt-A-Highway for any advertising business it may lose from being unable to sell advertising to businesses competing with the County's exclusive beach sponsors. In exchange for the annual fee, Adopt-A-Highway will provide each exclusive beach sponsor with 100 Barrels a month, year-round, on which the sponsor might place its name identification.

The Amendment will also grant the Director the authority to execute non-material amendments to the Agreement. Such amendments would not involve changes that effect the essential requirements of the Agreement (e.g., financial terms, scope of service, or liability issues).

Implementation of Strategic Plan Goals

The services provided through this Amendment will help to promote several aspects of the County's Strategic Plan Goals. It promotes Service Excellence by ensuring that the public service provided (i.e., Barrels at the Beaches) is uninterrupted during the busy summer months of 2006.

In addition, the Department may be able to strengthen the County's Fiscal Responsibility by attracting other exclusive beach sponsors to provide financial/material support for the Department's beach maintenance operations and youth programs as well as for lifeguard public safety operations. Any exclusive beach sponsorships thus obtained would also fulfill the Department's own strategic plan goal of increasing public-private partnerships to support its services.

FISCAL IMPACT/FINANCING

The Amendment will provide the County with a total of \$50,000 in prorated payments for the additional four months (\$12,500 per month) that the Agreement is extended beyond the summer 2006 to October 23, 2006.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Other than the extension of the Agreement and the provisions relating to exclusive beach sponsors and non-material amendments, all other provisions of the Agreement, including the County's indemnification and insurance protection, will remain in effect.

County Counsel has approved the Amendment as to form. The Beach Commission unanimously approved this Amendment.

ENVIRONMENTAL DOCUMENTATION

Approval of this Amendment is categorically exempt from the provisions of CEQA pursuant to Class 4(j) of the County's Environmental Document Reporting Procedures and Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

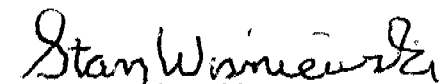
This Amendment will help to secure the uninterrupted provision of Barrels for summer 2006, and thus enable the Department to continue providing exemplary services and clean beaches for the 55 million annual visitors to our County's beaches.

The Honorable Board of Supervisors
April 17, 2002
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CONCLUSION

Instruct the Executive Officer, Board of Supervisors, to forward an approved copy of this Board letter and two executed originals of the Amendment to the Department of Beaches and Harbors.

Respectfully submitted,



Stan Wisniewski
Director

SW:wp

Attachments (1)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller

**AMENDMENT NO. 1 TO AGREEMENT NO. 69984
BY AND BETWEEN THE COUNTY OF LOS ANGELES
AND THE ADOPT-A-HIGHWAY MAINTENANCE CORPORATION**

This Agreement is entered into this ___ day of _____ 2002, by and between the COUNTY OF LOS ANGELES (the "County"), a political subdivision of the State of California, and the ADOPT-A-HIGHWAY MAINTENANCE CORPORATION (the "Sponsor"), a California corporation.

RECITALS

- A. On April 23, 1996, the Sponsor and the County entered into Agreement No. 69984 (the "Agreement") whereby the Sponsor agreed to underwrite a portion of the costs for Department of Beaches and Harbors' beach maintenance equipment and supplies in exchange for the exclusive right to sell advertising on donated Trash Barrels that are placed on Los Angeles County Beaches.
- B. The County desires to create exclusive sponsorship categories that will grant exclusive advertising rights on Los Angeles County Beaches to the exclusive sponsorship provider(s), including advertising on beach Trash Barrels.
- C. The Sponsor desires to obtain an annual fee per exclusive sponsorship category that would be paid directly by exclusive sponsorship provider(s) and to obtain an extension of this Agreement for an additional four months.
- D. The extension of the Agreement through October 2006 is advantageous to the County as any disruption in its service to the public during its busiest season will be avoided.

AMENDMENT

NOW, THEREFORE, in consideration of the above, it is hereby agreed by and between the parties as follows:

- 1. The term of Agreement No. 69984 is hereby extended an additional four months from June 23, 2006 until October 23, 2006.
- 2. Section 3, Sponsor's Obligation, is hereby amended as follows:

Subsection 3.B(11) is added as follows:

- i. Thirty days after the commencement of this four-month extension period, Sponsor will pay the County a \$50,000 fee for the four-month extension period from June

23, 2006 until October 23, 2006, and provide up to 3000 Trash Barrels for this extension period.

Subsection 3.H(1) is added as follows:

- ii. County's Exclusive Sponsorships. The Sponsor agrees that advertisements sold for placement on the Trash Barrels will not include advertising for any product that is in direct competition with the County's exclusive sponsorship provider(s) as defined by County, which exclusivity will become effective 150 days after County signs its agreement(s) with its exclusive sponsorship provider(s); however, the Sponsor will be obligated to immediately exclude any advertising on the Trash Barrels for a beverage in direct competition with the exclusive sponsorship provider named Great Spring Waters of America, Inc. (Great Spring), in the two separate categories of Bottled Water and Carbonated Beverages, as defined by County, effective April 16, 2002. All of the following provisions listed below apply equally to Great Spring as to any exclusive sponsorship provider(s). However, none of the provisions of Subsections 3.H(1) through 3.H(4) shall apply to the exclusive automobile provider referenced in Section 3H.

Subsection 3.H(2) is added as follows:

- iii. Payments to Sponsor. In exchange for the Sponsor's compliance with Subsection 3.H(1) above, the County will direct its exclusive sponsorship provider(s) to annually enter into the Sponsor's normal and customary sales contract and pay directly to Sponsor a first-year fee of \$33,500, increasing by approximately 9% annually, for each exclusive sponsorship category within 45 days of that exclusive sponsorship provider signing an agreement(s) with County; thereafter the exclusive sponsorship provider(s) shall be responsible for entering into Sponsor's sales contract and paying the minimum fee annually, on the anniversary date of the commencement of its exclusive sponsorship agreement(s).

Subsection 3.H(3) is added as follows:

- iv. Granting and Placement of Trash Barrels. In exchange for the payments given to Sponsor in Subsection 3.H(2) above, Sponsor will annually give to each exclusive sponsorship provider a total of 100 Trash Barrels a month per exclusive sponsorship category on Los Angeles County Beaches. There will be at least 50 Trash Barrels placed at each selected beach, or other number mutually agreed to between the Sponsor and the exclusive sponsorship provider(s). The Trash Barrels will be placed on Los Angeles County Beaches as mutually agreed to between the Sponsor and the exclusive sponsorship provider(s), but must include one or more of the following beaches as space is available, if requested by the exclusive sponsorship provider(s): Zuma, Point Dume, Will Rogers, Venice, Dockweiler, Manhattan, Hermosa, Redondo and Torrance. All other terms concerning the placement of the Trash Barrels for the exclusive sponsorship provider(s) will be

as mutually agreed to between the Sponsor and the exclusive sponsorship provider(s).

Subsection 3.H(4) is added as follows:

- v. No County Responsibility and Termination of Rights. The County shall not be responsible for the payment of any monies due to the Sponsor from the County's exclusive sponsorship provider(s) hereunder, as required by Subsection 3.H(2) or under any agreement between said parties. Should the exclusive sponsorship provider(s) fail to pay the Sponsor as set forth in Subsection 3.H(2) above, then the sponsorship provider(s) shall waive its rights in Subsection 3.H(1), Subsection 3.H(2) and Subsection 3.H(3).

3. Section 19, Entire Agreement, is hereby amended as follows:

The second sentence is deleted and replaced with the following:

Only amendments to the Agreement that do not materially change the scope of the Agreement, increase the County's financial responsibility, or impose additional liability on the County may be executed without approval of the Los Angeles County Board of Supervisors. All such amendments must be in writing and shall not be effective unless and until executed by Sponsor and, in the case of the County, by the Director.

4. Except as otherwise expressly stated herein, all other terms and conditions of the Agreement shall remain in full force and effect and are hereby reaffirmed by the County and the Sponsor.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 to Agreement No. 69984 as of the date first above written.

ADOPT-A-HIGHWAY MAINTENANCE CORPORATION, a California corporation

By  _____
Daniel Day, President

COUNTY OF LOS ANGELES

By _____
Chair, Board of Supervisors

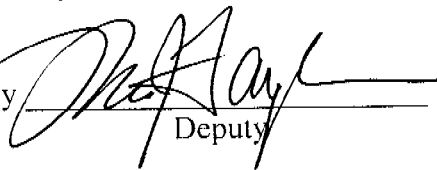
ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-
Clerk of the Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By  _____
Deputy

ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Orange

On 7/12/02 before me, Claude T. Rowe Notary Public

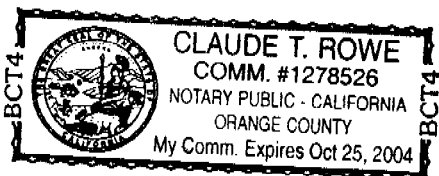
DATE

NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Daniel T. Day

NAME(S) OF SIGNER(S)

personally known to me - OR - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Claude T. Rowe
SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- INDIVIDUAL
- CORPORATE OFFICER

TITLE(S)

TITLE OR TYPE OF DOCUMENT

- PARTNER(S) LIMITED
- GENERAL

NUMBER OF PAGES

- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

DATE OF DOCUMENT

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

SIGNER(S) OTHER THAN NAMED ABOVE