



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
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Fifth District

February 11, 2014

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:

**AMENDMENT NUMBER ONE TO EXTEND THE CONTRACT WITH THE COMPENSATION,
EMPLOYEE BENEFITS, AND ACTUARIAL SERVICES CONSULTING PANEL
ALL DISTRICTS
(3 VOTES)**

SUBJECT

To exercise the option to extend the contracts with ten consulting firms, for an additional one-year term, effective February 16, 2014, for services of specialized compensation, employee benefits, and actuarial consultants. These consultants are selected from a panel of firms based on specific expertise and experience for particular projects by the Chief Executive Office (CEO) and Department of Human Resources (DHR).

IT IS RECOMMENDED THAT THE BOARD:

Approve the attached Amendment Number One with ten consulting firms for use as needed to provide compensation, employee benefits, or actuarial consulting services.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The current contract with this consulting panel commenced February 15, 2011 and expires on February 15, 2014. It contains a provision to extend the contract term for up to two one-year periods and six (6) month to month extensions, for a maximum total contract term of five years and six months. These contracts provide a successor panel of compensation, employee benefits, and actuarial services consultants to advise CEO and DHR regarding non-routine salary and employee benefits issues which may have significant countywide issues.

Implementation of Strategic Plan Goals

Approval of the accompanying amendments will further County Strategic Plan Goal 1 – Operational Effectiveness by addressing the Service Excellence and Organizational Effectiveness Strategy. The consultants are assisting the County in achieving objectives under the Workforce Excellence strategy.

FISCAL IMPACT/FINANCING

Each contract provides for compensation on an hourly time and expense basis at the rates specified in each contract. Costs associated with the proposed amendments will be incurred only when work is assigned to panel members by CEO or DHR.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

A list of the ten firms comprising the proposed panel is contained in Attachment A. The Chief Executive Officer or Director of Personnel may individually assign work on an as-needed basis to any of the firms in the panel. The nature of the work may vary significantly from project-specific assignments to day-to-day advice and commentary, including consultation on short notice.

The contracts with the consulting panel provide an initial three-year term beginning February 15, 2011 and provide for two one-year extensions and six month-to-month extensions thereafter. County Counsel has approved the proposed amendments as to form.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the proposed contract amendments for the panel of consultants will provide the technical expertise required for the ongoing administration of the County's existing compensation and employee benefit programs.

The Honorable Board of Supervisors

2/11/2014

Page 3

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'WTF', followed by a large, stylized flourish that resembles a heart or a large 'M', and then a horizontal line extending to the right.

WILLIAM T FUJIOKA

Chief Executive Officer

WTF:BC:JA

MTK:LSB:mst

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Human Resources

PANEL OF CONTRACTORS

Firm	Area(s)
Aon Consulting, Inc.	Compensation, Employee Benefits, Actuarial Services
Buck Consultants, LLC	Compensation, Employee Benefits, Actuarial Services
CPS HR Consulting	Compensation
Gallagher Benefits Services, Inc.	Compensation
Garner Consulting	Employee Benefits
Hay Group, Inc.	Compensation, Employee Benefits, Actuarial Services
Pinnacle Actuarial Resources, Inc.	Actuarial Services
Reward Strategy Group	Compensation
The Segal Company	Compensation
The Unisource Group, Inc.	Employee Benefits

**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
AON CONSULTING, INC.
FOR
COMPENSATION, EMPLOYEE BENEFITS
AND ACTUARIAL CONSULTING SERVICES
(Contract No. 77473)**

AMENDMENT NO. 1

WHEREAS, on February 15, 2011, the County of Los Angeles, hereinafter referred to as County, entered into a contract with Aon Consulting, Inc., hereinafter referred to as Consultant, for compensation, employee benefit administration, and actuarial services; and

WHEREAS, Section 4.0, "Term of Contract" of the aforementioned contract, gives the County the option to extend this Contract term for up to two (2) additional one-year periods and six (6) month to month extensions beyond February 14, 2014, the expiration date of the initial term, at the sole discretion of the County Chief Executive Officer CEO);

NOW, THEREFORE, it is agreed between the parties that the Contract shall be amended as follows:

- 1. This Amendment No. 1 shall commence and be effective on February 15, 2014.**
- 2. SECTION 4.0 TERM OF CONTRACT, subsection 4.2, shall be deleted in its entirety and replaced with the following:**

"4.2 The County shall have the sole option to extend this Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CEO.

The County exercises its first option to extend the term of this Contract for one additional year, commencing on February 15, 2014 and continuing to and including February 14, 2015."

- 3. Except as modified by this Amendment No. 1, all terms and conditions of the contract shall remain in full force and effect.**

IN WITNESS WHEREOF the County of Los Angeles and Aon Consulting, Inc., have each caused this Amendment No. 1 to be executed by its duly authorized officer as of the date first above written.

AON CONSULTING, INC.

COUNTY OF LOS ANGELES

By 
~~Kathy Barclay~~, Vice President *-legal*
Brian M. Fern,

By 
William T Fujioka, Chief Executive Officer

ATTEST:

SACHI HAMAI
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By 
RICHARD D. BLOOM
Principal Deputy County Counsel

**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
BUCK CONSULTANTS
FOR
COMPENSATION, EMPLOYEE BENEFITS
AND ACTUARIAL CONSULTING SERVICES
(Contract No. 77474)**

AMENDMENT NO. 1

WHEREAS, on February 15, 2011, the County of Los Angeles, hereinafter referred to as County, entered into a contract with Buck Consultants, LLC, hereinafter referred to as Consultant, for compensation, employee benefit administration, and actuarial services; and

WHEREAS, Section 4.0, "Term of Contract" of the aforementioned contract, gives the County the option to extend this Contract term for up to two (2) additional one-year periods and six (6) month to month extensions beyond February 14, 2014, the expiration date of the initial term, at the sole discretion of the County Chief Executive Officer CEO);

NOW, THEREFORE, it is agreed between the parties that the Contract shall be amended as follows:

- 1. This Amendment No. 1 shall commence and be effective on February 15, 2014.**
- 2. SECTION 4.0 TERM OF CONTRACT, subsection 4.2, shall be deleted in its entirety and replaced with the following:**

"4.2 The County shall have the sole option to extend this Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CEO.

The County exercises its first option to extend the term of this Contract for one additional year, commencing on February 15, 2014 and continuing to and including February 14, 2015."

- 3. Except as modified by this Amendment No. 1, all terms and conditions of the contract shall remain in full force and effect.**

IN WITNESS WHEREOF the County of Los Angeles and Buck Consultants, LLC, have each caused this Amendment No. 1 to be executed by its duly authorized officer as of the date first above written.

BUCK CONSULTANTS, LLC

COUNTY OF LOS ANGELES

By 
Harold A. Loeb, Principal

By 
William T Fujoka, Chief Executive Officer

ATTEST:

SACHI HAMAI
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By 
RICHARD D. BLOOM
Principal Deputy County Counsel

**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
CPS HR CONSULTING
FOR
COMPENSATION, EMPLOYEE BENEFITS
AND ACTUARIAL CONSULTING SERVICES
(Contract No. 77475)**

AMENDMENT NO. 1

WHEREAS, on February 15, 2011, the County of Los Angeles, hereinafter referred to as County, entered into a contract with CPS HR Consulting, hereinafter referred to as Consultant, for compensation, employee benefit administration, and actuarial services; and

WHEREAS, Section 4.0, "Term of Contract" of the aforementioned contract, gives the County the option to extend this Contract term for up to two (2) additional one-year periods and six (6) month to month extensions beyond February 14, 2014, the expiration date of the initial term, at the sole discretion of the County Chief Executive Officer CEO);

NOW, THEREFORE, it is agreed between the parties that the Contract shall be amended as follows:

- 1. This Amendment No. 1 shall commence and be effective on February 15, 2014.**
- 2. SECTION 4.0 TERM OF CONTRACT, subsection 4.2, shall be deleted in its entirety and replaced with the following:**

"4.2 The County shall have the sole option to extend this Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CEO.

The County exercises its first option to extend the term of this Contract for one additional year, commencing on February 15, 2014 and continuing to and including February 14, 2015."

- 3. Except as modified by this Amendment No. 1, all terms and conditions of the contract shall remain in full force and effect.**

IN WITNESS WHEREOF the County of Los Angeles and CPS HR Consulting, have each caused this Amendment No. 1 to be executed by its duly authorized officer as of the date first above written.

CPS HR CONSULTING

COUNTY OF LOS ANGELES

By  _____
Linda Kegerreis, Chief Workforce Officer

By  _____
William T Fujioka, Chief Executive Officer

ATTEST:

SACHI HAMAI
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By  _____
RICHARD D. BLOOM
Principal Deputy County Counsel

**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
GALLAGHER BENEFITS SERVICES, INC.
FOR
COMPENSATION, EMPLOYEE BENEFITS
AND ACTUARIAL CONSULTING SERVICES
(Contract No. 77476)**

AMENDMENT NO. 1

WHEREAS, on February 15, 2011, the County of Los Angeles, hereinafter referred to as County, entered into a contract with Gallagher Benefits Services, Inc., hereinafter referred to as Consultant, for compensation, employee benefit administration, and actuarial services; and

WHEREAS, Section 4.0, "Term of Contract" of the aforementioned contract, gives the County the option to extend this Contract term for up to two (2) additional one-year periods and six (6) month to month extensions beyond February 14, 2014, the expiration date of the initial term, at the sole discretion of the County Chief Executive Officer CEO);

NOW, THEREFORE, it is agreed between the parties that the Contract shall be amended as follows:

- 1. This Amendment No. 1 shall commence and be effective on February 15, 2014.**
- 2. SECTION 4.0 TERM OF CONTRACT, subsection 4.2, shall be deleted in its entirety and replaced with the following:**

"4.2 The County shall have the sole option to extend this Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CEO.

The County exercises its first option to extend the term of this Contract for one additional year, commencing on February 15, 2014 and continuing to and including February 14, 2015."

- 3. Except as modified by this Amendment No. 1, all terms and conditions of the contract shall remain in full force and effect.**

IN WITNESS WHEREOF the County of Los Angeles and Gallagher Benefits Services, Inc., have each caused this Amendment No. 1 to be executed by its duly authorized officer as of the date first above written.

GALLAGHER BENEFITS SERVICES, INC.

COUNTY OF LOS ANGELES

By 

Norbert Chung, Executive Vice President

By 

William T Fujioka, Chief Executive Officer

ATTEST:

SACHI HAMAI
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By 

RICHARD D. BLOOM
Principal Deputy County Counsel

**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
GARNER CONSULTING
FOR
COMPENSATION, EMPLOYEE BENEFITS
AND ACTUARIAL CONSULTING SERVICES
(Contract No. 77477)**

AMENDMENT NO. 1

WHEREAS, on February 15, 2011, the County of Los Angeles, hereinafter referred to as County, entered into a contract with Garner Consulting, hereinafter referred to as Consultant, for compensation, employee benefit administration, and actuarial services; and

WHEREAS, Section 4.0, "Term of Contract" of the aforementioned contract, gives the County the option to extend this Contract term for up to two (2) additional one-year periods and six (6) month to month extensions beyond February 14, 2014, the expiration date of the initial term, at the sole discretion of the County Chief Executive Officer CEO);

NOW, THEREFORE, it is agreed between the parties that the Contract shall be amended as follows:

- 1. This Amendment No. 1 shall commence and be effective on February 15, 2014.**
- 2. SECTION 4.0 TERM OF CONTRACT, subsection 4.2, shall be deleted in its entirety and replaced with the following:**

"4.2 The County shall have the sole option to extend this Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CEO.

The County exercises its first option to extend the term of this Contract for one additional year, commencing on February 15, 2014 and continuing to and including February 14, 2015."

- 3. Except as modified by this Amendment No. 1, all terms and conditions of the contract shall remain in full force and effect.**

IN WITNESS WHEREOF the County of Los Angeles and Garner Consulting, have each caused this Amendment No. 1 to be executed by its duly authorized officer as of the date first above written.

GARNER CONSULTING

COUNTY OF LOS ANGELES

By  _____
John C. Garner, Chief Executive Officer

By  _____
William T. Fujoka, Chief Executive Officer

ATTEST:

SACHI HAMAI
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By  _____
RICHARD D. BLOOM
Principal Deputy County Counsel

**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
HAY GROUP, INC.
FOR
COMPENSATION, EMPLOYEE BENEFITS
AND ACTUARIAL CONSULTING SERVICES
(Contract No. 77478)**

AMENDMENT NO. 1

WHEREAS, on February 15, 2011, the County of Los Angeles, hereinafter referred to as County, entered into a contract with Hay Group, Inc., hereinafter referred to as Consultant, for compensation, employee benefit administration, and actuarial services; and

WHEREAS, Section 4.0, "Term of Contract" of the aforementioned contract, gives the County the option to extend this Contract term for up to two (2) additional one-year periods and six (6) month to month extensions beyond February 14, 2014, the expiration date of the initial term, at the sole discretion of the County Chief Executive Officer CEO);

NOW, THEREFORE, it is agreed between the parties that the Contract shall be amended as follows:

- 1. This Amendment No. 1 shall commence and be effective on February 15, 2014.**
- 2. SECTION 4.0 TERM OF CONTRACT, subsection 4.2, shall be deleted in its entirety and replaced with the following:**

"4.2 The County shall have the sole option to extend this Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CEO.

The County exercises its first option to extend the term of this Contract for one additional year, commencing on February 15, 2014 and continuing to and including February 14, 2015."

- 3. Except as modified by this Amendment No. 1, all terms and conditions of the contract shall remain in full force and effect.**

IN WITNESS WHEREOF the County of Los Angeles and Hay Group, Inc., have each caused this Amendment No. 1 to be executed by its duly authorized officer as of the date first above written.

HAY GROUP, INC.

COUNTY OF LOS ANGELES

By 

~~Neville B. Kenning, Vice President~~
RON KEMACH, PRINCIPAL

By 

William T. Fujioka, Chief Executive Officer

ATTEST:

SACHI HAMAI
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By 

RICHARD D. BLOOM
Principal Deputy County Counsel

**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
PINNACLE ACTUARIAL RESOURCES, INC.
FOR
COMPENSATION, EMPLOYEE BENEFITS
AND ACTUARIAL CONSULTING SERVICES
(Contract No. 77479)**

AMENDMENT NO. 1

WHEREAS, on February 15, 2011, the County of Los Angeles, hereinafter referred to as County, entered into a contract with Pinnacle Actuarial Resources, Inc., hereinafter referred to as Consultant, for compensation, employee benefit administration, and actuarial services; and

WHEREAS, Section 4.0, "Term of Contract" of the aforementioned contract, gives the County the option to extend this Contract term for up to two (2) additional one-year periods and six (6) month to month extensions beyond February 14, 2014, the expiration date of the initial term, at the sole discretion of the County Chief Executive Officer CEO);

NOW, THEREFORE, it is agreed between the parties that the Contract shall be amended as follows:

- 1. This Amendment No. 1 shall commence and be effective on February 15, 2014.**
- 2. SECTION 4.0 TERM OF CONTRACT, subsection 4.2, shall be deleted in its entirety and replaced with the following:**

"4.2 The County shall have the sole option to extend this Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CEO.

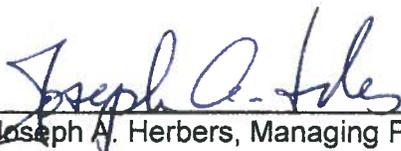
The County exercises its first option to extend the term of this Contract for one additional year, commencing on February 15, 2014 and continuing to and including February 14, 2015."

- 3. Except as modified by this Amendment No. 1, all terms and conditions of the contract shall remain in full force and effect.**

IN WITNESS WHEREOF the County of Los Angeles and Pinnacle Actuarial Resources, Inc., have each caused this Amendment No. 1 to be executed by its duly authorized officer as of the date first above written.

PINNACLE ACTUARIAL RESOURCES, INC.

COUNTY OF LOS ANGELES

By  _____
Joseph A. Herbers, Managing Principal

By  _____
William T Fujioka, Chief Executive Officer

ATTEST:

SACHI HAMAI
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By  _____
RICHARD D. BLOOM
Principal Deputy County Counsel

**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
REWARD STRATEGY GROUP
FOR
COMPENSATION, EMPLOYEE BENEFITS
AND ACTUARIAL CONSULTING SERVICES
(Contract No. 77480)**

AMENDMENT NO. 1

WHEREAS, on February 15, 2011, the County of Los Angeles, hereinafter referred to as County, entered into a contract with Reward Strategy Group, hereinafter referred to as Consultant, for compensation, employee benefit administration, and actuarial services; and

WHEREAS, Section 4.0, "Term of Contract" of the aforementioned contract, gives the County the option to extend this Contract term for up to two (2) additional one-year periods and six (6) month to month extensions beyond February 14, 2014, the expiration date of the initial term, at the sole discretion of the County Chief Executive Officer CEO);

NOW, THEREFORE, it is agreed between the parties that the Contract shall be amended as follows:

- 1. This Amendment No. 1 shall commence and be effective on February 15, 2014.**
- 2. SECTION 4.0 TERM OF CONTRACT, subsection 4.2, shall be deleted in its entirety and replaced with the following:**

"4.2 The County shall have the sole option to extend this Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CEO.

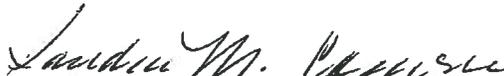
The County exercises its first option to extend the term of this Contract for one additional year, commencing on February 15, 2014 and continuing to and including February 14, 2015."

- 3. Except as modified by this Amendment No. 1, all terms and conditions of the contract shall remain in full force and effect.**

IN WITNESS WHEREOF the County of Los Angeles and Reward Strategy Group, have each caused this Amendment No. 1 to be executed by its duly authorized officer as of the date first above written.

REWARD STRATEGY GROUP

COUNTY OF LOS ANGELES

By 
Sandra M. Comrie, Executive Director

By 
William Fujioka, Chief Executive Officer

ATTEST:

SACHI HAMAI
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By 
RICHARD D. BLOOM
Principal Deputy County Counsel

**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
THE SEGAL COMPANY
FOR
COMPENSATION, EMPLOYEE BENEFITS
AND ACTUARIAL CONSULTING SERVICES
(Contract No. 77481)**

AMENDMENT NO. 1

WHEREAS, on February 15, 2011, the County of Los Angeles, hereinafter referred to as County, entered into a contract with The Segal Company, hereinafter referred to as Consultant, for compensation, employee benefit administration, and actuarial services; and

WHEREAS, Section 4.0, "Term of Contract" of the aforementioned contract, gives the County the option to extend this Contract term for up to two (2) additional one-year periods and six (6) month to month extensions beyond February 14, 2014, the expiration date of the initial term, at the sole discretion of the County Chief Executive Officer CEO);

NOW, THEREFORE, it is agreed between the parties that the Contract shall be amended as follows:

- 1. This Amendment No. 1 shall commence and be effective on February 15, 2014.**
- 2. SECTION 4.0 TERM OF CONTRACT, subsection 4.2, shall be deleted in its entirety and replaced with the following:**

"4.2 The County shall have the sole option to extend this Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CEO.

The County exercises its first option to extend the term of this Contract for one additional year, commencing on February 15, 2014 and continuing to and including February 14, 2015."

- 3. Except as modified by this Amendment No. 1, all terms and conditions of the contract shall remain in full force and effect.**

IN WITNESS WHEREOF the County of Los Angeles and The Segal Company, have each caused this Amendment No. 1 to be executed by its duly authorized officer as of the date first above written.

THE SEGAL COMPANY

COUNTY OF LOS ANGELES

By 
Elliott R. Susseles, Senior Vice President

By 
William T Fujioka, Chief Executive Officer

ATTEST:

SACHI HAMAI
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By 
RICHARD D. BLOOM
Principal Deputy County Counsel

**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
THE UNISOURCE GROUP, INC.
FOR
COMPENSATION, EMPLOYEE BENEFITS
AND ACTUARIAL CONSULTING SERVICES
(Contract No. 77482)**

AMENDMENT NO. 1

WHEREAS, on February 15, 2011, the County of Los Angeles, hereinafter referred to as County, entered into a contract with The Unisource Group, Inc., hereinafter referred to as Consultant, for compensation, employee benefit administration, and actuarial services; and

WHEREAS, Section 4.0, "Term of Contract" of the aforementioned contract, gives the County the option to extend this Contract term for up to two (2) additional one-year periods and six (6) month to month extensions beyond February 14, 2014, the expiration date of the initial term, at the sole discretion of the County Chief Executive Officer CEO);

NOW, THEREFORE, it is agreed between the parties that the Contract shall be amended as follows:

- 1. This Amendment No. 1 shall commence and be effective on February 15, 2014.**
- 2. SECTION 4.0 TERM OF CONTRACT, subsection 4.2, shall be deleted in its entirety and replaced with the following:**

"4.2 The County shall have the sole option to extend this Contract term for up to two additional one-year periods and six (6) month to month extensions, for a maximum total Contract term of five years and six months. Each such option and extension shall be exercised at the sole discretion of the CEO.

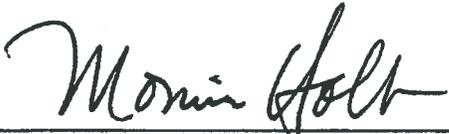
The County exercises its first option to extend the term of this Contract for one additional year, commencing on February 15, 2014 and continuing to and including February 14, 2015."

- 3. Except as modified by this Amendment No. 1, all terms and conditions of the contract shall remain in full force and effect.**

IN WITNESS WHEREOF the County of Los Angeles and The Unisource Group, Inc., have each caused this Amendment No. 1 to be executed by its duly authorized officer as of the date first above written.

THE UNISOURCE GROUP, INC.

COUNTY OF LOS ANGELES

By 
Monica Holt, President

By 
William T Fujioka, Chief Executive Officer

ATTEST:

SACHI HAMAI
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By 
RICHARD D. BLOOM
Principal Deputy County Counsel