



SACHI A. HAMAI
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"

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BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

15 June 19, 2018

CELIA ZAVALA
ACTING EXECUTIVE OFFICER

June 19, 2018

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:

**RECOMMENDATION AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO ENTER INTO A
SOLE SOURCE AGREEMENT WITH THE CHILD DEVELOPMENT CONSORTIUM LOS
ANGELES TO OPERATE THE VAN NUYS CIVIC CENTER CHILD DEVELOPMENT CENTER FOR
ONE YEAR COMMENCING JULY 1, 2018
(THIRD SUPERVISORIAL DISTRICT)
(3-VOTES)**

SUBJECT

A recommendation to authorize the Chief Executive Officer (CEO) to enter into a sole source agreement with the Child Development Consortium Los Angeles (CDCLA) to operate the Van Nuys Civic Center Child Development Center (Center) for one year. The Center provides high-quality, affordable child development services to Los Angeles County employees and the public.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the CEO to prepare and execute a sole source agreement with the Child Development Consortium Los Angeles (CDCLA) to operate the Van Nuys Child Development Center (Center), commencing July 1, 2018, and ending June 30, 2019. Approval as to form will be obtained from County Counsel prior to execution of the agreement.
2. Delegate authority to the CEO or her designee to prepare and execute amendments to the contract if warranted, including two, one-year extensions. Approval as to form will be obtained from County Counsel prior to executing any amendments.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Around The Korner Center for School-Age Enrichment has been the contracted provider for the Van Nuys Child Care Development Center (Center) for over seven years. Last year, the CEO requested Board of Supervisors (Board) authorization to extend the current contract for an additional year to conduct a new solicitation.

While requesting Board authorization last year, the CEO was notified that the current vendor, Around the Korner, wished to terminate its contract and withdraw as the Center provider due to conditions beyond their control. The current vendor requested to terminate their contract by the end of the fiscal year (June 30, 2018). The CEO revised its Board letter and requested an extension to allow time to identify a temporary provider prior to the development of a new solicitation.

The CEO was able to identify CDCLA, who agreed to temporarily operate the Center to ensure no interruption in child care services while the CEO developed a solicitation to identify a permanent provider. CDCLA operates 10 centers throughout the County of which three are County-sponsored. On April 12, 2018, the CEO provided the Board with notice of its intent to enter into sole source negotiations with CDCLA. No objections or concerns were raised during the four-week comment period. Also pursuant to Board Policy 5.100, the sole source checklist is attached. (Attachment I)

The Center is a County-owned facility and provides child development services to County and Superior Court employees, as well as to the general public. County and Superior Court employees currently comprise approximately 24 percent of the Center's enrollments which has a maximum capacity of 78 children. The Center has consistently remained at capacity, and County and Court employees are given priority placement as vacancies arise.

The operating costs associated with the Center are traditionally covered by parent fees collected and managed by the provider. However, accommodations were needed to provide supplemental funding given the expected disruption in staffing and family participation caused by the transition of providers. To assist with this disruption, the CEO has identified one-time funding in the amount of \$129,000 to assist the new operator with programming costs.

-Programming costs include staffing expenses, insurance, office supplies, and educational materials.

Ongoing facility maintenance costs are covered by sponsoring County departments (District Attorney, Probation, Children and Family Services, Public Social Services, and Public Defender), and the Superior Court. Those sponsoring departments and the Superior Court have entered into a Memorandum of Understanding (MOU) with the CEO in which they each provide \$10,833 annually for the Center's maintenance costs for a total of \$54,165. All funds are collected and held by one of the sponsoring departments, which does not contribute financially while serving as the fiscal agent. Facility maintenance includes janitorial services, building maintenance, facility improvements, and Center-owned equipment replacement (Attachment II).

The sponsoring departments and the Superior Court also comprise an advisory body which meets periodically to review the Center's programs and policies, parent issues, facility maintenance budget, and Center fees.

Implementation of Strategic Plan Goals

Extension of the contract governing the Center supports the County's Strategic Plan Goal 3: Integrated Services Delivery: Maximize opportunities to measurably improve client and community

outcomes and leverage resources through continuous integration of health, community, and public safety services.

FISCAL IMPACT/FINANCING

Staffing and programmatic costs of the Center are normally supported by parent fees that are collected by the provider. The past cost associated with operating the Center totals approximately \$925,000 annually. The Center's enrollment has a maximum capacity of 78 children, and the Center is consistently at capacity.

This contract is traditionally a non-financial agreement, but special accommodations have been made to ensure the Center's ability to operate given the transition of providers. The CEO has identified net County cost (NCC) funds in the amount of \$129,000 to supplement an expected shortfall in programming revenue due to the transition. At the end of the contract period, the CEO and the permanently identified provider will determine what fee structure needs to be in place to ensure the Center's operation without direct County NCC assistance.

The Center's annual utility, janitorial, and facility maintenance costs total approximately \$30,000 and are fully covered by County departments and the Superior Court under an MOU that is in effect through June 30, 2020. Unused funds are held in reserve to meet future and unexpected facility needs such as facility improvements or extraordinary maintenance costs. All funds are collected and held by one of the sponsoring departments designated as the fiscal agent.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Center began serving children in January 2006. In June 2009, the CEO was informed the original operator would not be renewing its contract and would cease operating the program on August 31, 2009. An abbreviated search for an alternative operator was conducted by the County to avoid a break in service to participating families. Around the Korner was identified in a sole source search and awarded a one-year agreement by the Board on September 22, 2009.

A Request for Proposals was conducted in 2010 and Around the Korner was awarded the Center contract in 2011, as the only vendor to submit a proposal for operation of the Center. It has operated the facility continuously without complaint or incident.

The CEO is confident that CDCLA will continue to operate the Center in a manner that ensures the high-quality child care services provided continue without interruption.

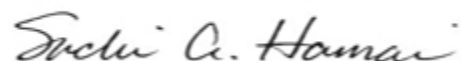
IMPACT ON CURRENT SERVICES (OR PROJECTS)

This requested agreement is necessary to provide continuity of service while a permanent provider is identified. CDCLA successfully operates County-sponsored child care centers. Its familiarity with employee-sponsored centers and County protocols and experience providing high-quality child care ensure that the Center will maintain its current level of services.

CONCLUSION

Upon Board approval, the Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board letter to the CEO.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sachi A. Hamai".

SACHI A. HAMAI
Chief Executive Officer

SAH:JJ:FAD
HK:VH:km

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Child Development Consortium Los Angeles

SOLE SOURCE CHECKLIST

Department Name: Chief Executive Office

New Sole Source Contract

Existing Sole Source Contract Date Sole Source Contract Approved: _____

Check (✓)	<p align="center">JUSTIFICATION FOR SOLE SOURCE CONTRACTS</p> <p align="center">Identify applicable justification and provide documentation for each checked item.</p>
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an "Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist."
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
✓	➤ Services are needed to address an emergent or related time-sensitive need.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/ system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.



 Chief Executive Office

6/11/18

 Date

Fesia Davenport

**MEMORANDUM OF UNDERSTANDING
BETWEEN
CHIEF EXECUTIVE OFFICE
AND
CERTAIN COUNTY DEPARTMENTS AND SUPERIOR COURT**

This Memorandum of Understanding (MOU) entered into on the 7th day of October, 2015, by the Chief Executive Office of the County of Los Angeles, hereafter called "CEO," and the County of Los Angeles Departments of Children and Family Services, District Attorney, Probation, Public Defender, Public Social Services, and Superior Court, hereafter called "SPONSOR DEPARTMENTS," defines the responsibilities of the County entities related to their participation in and support of the Van Nuys Civic Child Development Center, hereinafter called "CENTER."

In consideration of the mutual benefits to be derived by the CEO, the SPONSOR DEPARTMENTS, and the Van Nuys Civic community, it is agreed as follows:

1) CHIEF EXECUTIVE OFFICE AGREES TO:

- a) Develop and publicize a request for proposals for a CENTER operator, coordinate a process to evaluate bids, select an operator, and submit a proposed contract with the successful bidder for the operation of the CENTER to the Board of Supervisors for approval when contracts terminate.
- b) Serve as a liaison to the CENTER, the Advisory Committee, and other County employee child development centers and the larger child care community.
- c) Assign a SPONSOR DEPARTMENT to provide Administrative Support. The assignment would be based on mutual agreement between the CEO and individual SPONSOR DEPARTMENT.

2) EACH SPONSOR DEPARTMENTS AGREES TO:

- a) Contribute \$10,833 per year for six (6) years to support the utility, janitorial, and maintenance costs of the CENTER and the scholarship program. The assigned SPONSOR DEPARTMENT providing Administrative Support is excluded from this commitment and will provide administrative services in place of the monetary commitment.
- b) Forward funds by Departmental Service Order (DSO) to the assigned SPONSOR DEPARTMENT providing Administrative Support immediately upon execution of this MOU (Fiscal Year 2014-2015) and by November 15th of each proceeding fiscal year, thereafter, beginning in 2014 through 2020. Assigned SPONSOR DEPARTMENT will provide administrative support to the CENTER and disburse the funds from the CENTER as necessary.
- c) Designate a representative to serve on the CENTER Advisory Committee.
 - 1) The Advisory Committee, comprised of representatives of each of the SPONSOR DEPARTMENTS, the Third Supervisorial District, and the CEO through the Service Integration Branch, shall meet at least quarterly to review the operation of the CENTER.

- 2) The Advisory Committee will monitor the following areas:
 - (1) Selection of the operator of the CENTER.
 - (2) Recruitment and enrollment issues, if any.
 - (3) CENTER program, policies and procedures.
 - (4) CENTER user fees.
 - (5) Overall performance of the CENTER operator.
 - (6) The annual monitoring process.
 - (7) Issues between the CENTER operator and the County or CEO.
 - (8) Parent user issues with the CENTER operator.
 - (9) Licensing status and participation in either:
 - (a) Accreditation by the National Association for the Education of Young Children, or
 - (b) Office of Child Care administered Quality Rating and Improvement System.
 - (10) Review of annual parent survey.
 - (11) Maintenance and repairs to the CENTER.
 - (12) Annual facility maintenance budget to be paid by the SPONSOR DEPARTMENTS' contributions.
 - (13) Facility related expenses and fund balance.
 - (14) Annual SPONSOR DEPARTMENTS' contributions to the assigned SPONSOR DEPARTMENT providing Administrative Support.
- 3) The Advisory Committee will authorize disbursements from the funds for scholarships or related activities.
- 4) The Advisory Committee will establish guidelines for the administration of the scholarship fund.
 - (1) Funds provided by Supervisorial District Three to the CENTER will allow for the awarding of a limited number of partial scholarships to low-income families employed by the SPONSOR DEPARTMENTS.
 - (2) The Advisory Committee will define low-income families for the purpose of this agreement, and will re-evaluate it annually. Family income will be verified by application and paycheck stubs.
 - (3) The subsidy amounts will be determined by the Advisory Committee and will be applied consistently to successful applicants.
 - (4) The duration of the subsidy will be for one (1) years. Families may reapply by providing updated financial information.
- 5) The CEO will administer the scholarship fund on behalf of the Advisory Committee.

3) ADMINISTRATIVE SUPPORT WILL BE PROVIDED BY:

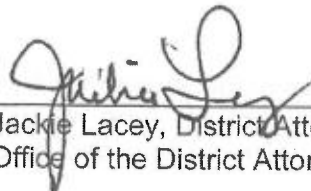
a) _____


4) TERM OF AGREEMENT

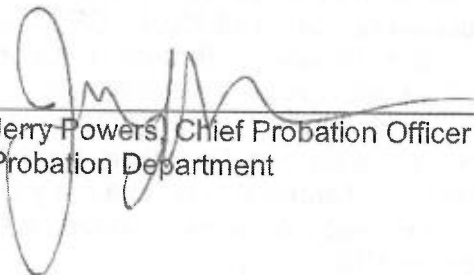
- a) The term of this MOU shall commence immediately upon execution by all signatories and be in full force and effect continuously through June 30, 2020, unless terminated sooner or extended, in whole or in part as provided by this MOU.
- b) The parties agree that this MOU may be modified or amended upon all parties' written consent. Changes to assignment of individual SPONSOR DEPARTMENT to provide Administrative Support will be through a Change Notice issued by the CEO and will not require written consent of the parties.
- c) Any party may terminate their participation in this MOU, provided that a written termination notice is submitted to the other parties not less than sixty (60) calendar days prior to the requested termination. Termination by one party does not terminate this MOU in its entirety and does not relieve the non-terminating parties of their duties and obligations under this MOU.

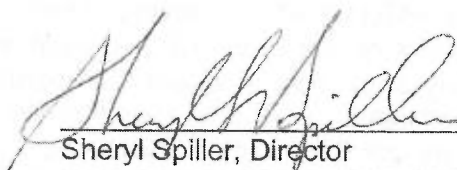
5) AUDIT:

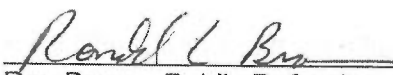
- a) This MOU is subject to examination and audit by the State Auditor for a period of three (3) years after the final payment.

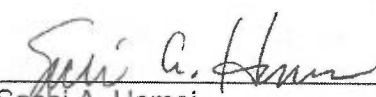

Jackie Lacey, District Attorney
Office of the District Attorney

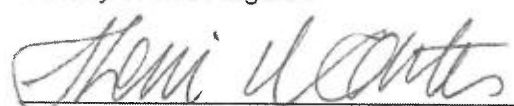

Philip L. Browning, Director
Department of Children and
Family Services


Jerry Powers, Chief Probation Officer
Probation Department


Sheryl Spiller, Director
Department of Public Social Services


Ron Brown, Public Defender
Office of the Public Defender


Sachi A. Hamai,
Interim Chief Executive Officer
County of Los Angeles


Sherri R. Carter, Executive Officer/Clerk
Superior Court of California Los Angeles