



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

Gloria Molina
First District

Yvonne Brathwaite Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

February 3, 2005

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 NO. 1 TO AGREEMENT NO. H-700291 WITH COMMONWEALTH
ENTERPRISES FOR BUILDING VENTILATION/AIR CONDITIONING SERVICES
FOR EXTENDED WEEKDAY HOURS AND WEEKENDS**

(All Districts) (3 votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director of Health Services, or his designee, to sign Amendment No. 1, (Exhibit I) to Agreement H-700291 with Commonwealth Enterprises, to extend the agreement on a month-to-month basis, effective February 16, 2005 through October 31, 2005, and delegate authority to the Director of DHS to terminate this agreement for convenience upon ten (10) days notice. The maximum obligation of the County for the month-to-month extension through October 31, 2005 is \$102,656.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

Approval of this recommendation by the Board of Supervisors will allow for the continued provision of building ventilation and air conditioning services during extended office hours at the Office of AIDS Programs and Policy (OAPP) located at 600 South Commonwealth Avenue, Los Angeles, California, 90005, pending completion of the negotiations of a new lease with Commonwealth Enterprises (Lessor). This month-to-month extension is necessary because the facility ventilation services are not routinely provided under the current lease structure during extended office hours and are not otherwise available through the County.

FISCAL IMPACT/FINANCING:

The total estimated expenditure for this month-to-month extension, effective February 16, 2005 through October 31, 2005, is \$102,656. Funding is included in the Fiscal Year (FY) 2004-05 Adopted Budget and will be requested in the FY 2005-06 budget.

FACTS AND PROVISIONS / LEGAL REQUIREMENTS:

On October 11, 1988, the Board approved, and County entered into, a formal lease agreement with Lessor for the lease of approximately 43,627 square feet of office space at 600 South Commonwealth Street, Los Angeles, California, 90005. The original term was a period of ten years with options to renew for five additional years. The lease between County and Lessor was structured as a full service lease and agreement, however, there were no provisions in the terms of the lease for ventilation and air conditioning services during extended office overtime periods. Extended office hours have been identified as weekdays from 5:00 p.m to 7:00 p.m. and on Saturdays and Sundays from 8:00 a.m. to 2:00 p.m.

On August 22, 1989, the Board approved Amendment No. 1 to the lease agreement which increased the rentable square footage from 43,627 to 53,180 to address augmentations to the AIDS Education program. Additionally, Amendment No. 1 was structured to recognize the Lessor's obligation under the terms of the lease to retrofit a fire sprinkler system and to permit the construction of the required tenant improvements in three phases. The approximate 53,180 square feet of rentable office space consists of the entire second, sixth and eighth floors.

On June 26, 1990, the Board approved Amendment No. 2, which extended the term of the lease for ten additional years to allow the owner to amortize the cost of the tenant improvements over a full ten-year term, effectively extending the term from August 7, 1999 to February 15, 2000.

On February 8, 2000, the Board approved Amendment No. 3, which extended the term of the lease an additional five years through February 15, 2005.

In past years, the provision of air conditioning services during extended overtime office hours was accomplished by processing a Purchase Order (PO) through the Internal Services Department (ISD). In 2003 the Department was advised by ISD that this process would be discontinued and that a competitive solicitation should be conducted for these services. However, because the provision of this type of service is exclusive to the Lessor, these services cannot be competitively bid, thus requiring DHS to enter into a sole source agreement. Therefore, on July 6, 2004, the Board approved sole source Agreement H-700291 for the provision of these services with a contract expiration term of February 15, 2005 which coincides with the current lease expiration date.

The Chief Administrative Office (CAO) Real Estate Division is currently pursuing a new lease with the Lessor. The terms of the new lease will include extended hour ventilation services and the relocation of staff to other floors in the building. The space and floors identified for relocation require tenant improvements and additional time is necessary for the completion of construction and other preparations. Therefore, pending completion of the necessary tenant improvements and the renewal of the lease, a month-to-month extension of the contract term is necessary to ensure the continued provision of air conditioning and ventilation services during extended hours.

The recommended amendment will be effective February 16, 2005 through October 31, 2005 and may be terminated for convenience upon written notice by contractor or County. Director may terminate for convenience on the County's behalf upon ten days notice. Upon completion of the new lease and obtaining signatures between County and the Lessor, this Agreement will be terminated.

The Department was unable to meet the requirement of filing three weeks in advance of the Board hearing date because of the additional time necessary to clarify the need for the extended services.

This agreement includes the latest Board mandated language.

Attachment A provides additional information.

County Counsel has reviewed the agreement (Exhibit I) and approved as to form.

CONTRACTING PROCESS:

An open competitive solicitation process was not conducted because the provision of these services are exclusive to the Lessor, therefore, a sole source agreement is necessary to continue the provision of these services.

The current lease is scheduled to expire February 15, 2005. The CAO is in negotiations with the Lessor for a new lease and the provision of extended office hours ventilation services will be included in the provisions of the new lease.

IMPACT ON CURRENT SERVICES:

Approval of this amendment will provide a work environment which will facilitate the completion of critical assignments, including but not limited to, multiple grant applications, competitive solicitations for identified services, year-end closing activities and high priority, time sensitive projects which mandate that staff work extended hours during weekdays and on weekends.

The Honorable Board of Supervisors
February 3, 2005
Page 4

Purchase of extended hours of ventilation/air conditioning will allow OAPP the ability to request service at a set rate without incurring overtime or emergency charges.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:ks

Attachments

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

J:\WP\BLET\CD3752.KS.wpd

SUMMARY OF AGREEMENT

1. TYPE OF SERVICE/PROJECT:

Air Conditioning and Ventilation Services for extended office hours and weekend periods at Office of AIDS Programs and Policy located at address below.

2. AGENCY ADDRESS AND CONTACT PERSON:

Commonwealth Enterprises, Inc.
 600 Commonwealth Avenue, Suite 1250
 Los Angeles, California 90005
 Attention: Arthur Blech
 Telephone: (213) 389-3755

3. TERM:

February 16, 2005 through October 31, 2005

4. FINANCIAL INFORMATION:

	<u>Term 1</u>	<u>Totals</u>
Maximum County Obligation:	\$102,656	\$102,656
	<u><\$0></u>	<u><\$0></u>
Net County Cost:	\$102,656	\$102,656

5. GEOGRAPHIC AREA SERVED:

Office of AIDS Programs and Policy
 600 Commonwealth Avenue
 Los Angeles, CA 90005

6. ACCOUNTABLE FOR MONITORING AND EVALUATION:

Charles L. Henry, Director, Office of AIDS Programs and Policy

7. APPROVALS:

Office of AIDS Programs and Policy:	Charles L. Henry, Director
Public Health:	John F. Schunhoff, Ph.D., Chief of Operations
Contracts and Grants Division	Cara O'Neill, Chief
County Counsel (approval as to form): Kelly Auerbach-Hassel, Deputy County Counsel	

**HUMAN IMMUNODEFICIENCY VIRUS (HIV)
ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS)
EXTENDED VENTILATION/AIR CONDITIONING SERVICES AGREEMENT**

Amendment No. 1

THIS AMENDMENT is made and entered into this _____ day
of _____, 2005,

by and between COUNTY OF LOS ANGELES (hereafter
"County"),
and COMMONWEALTH ENTERPRISES
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled
"HUMAN IMMUNODEFICIENCY VIRUS (HIV) ACQUIRED IMMUNE DEFICIENCY
SYNDROME (AIDS) EXTENDED VENTILATION/AIR CONDITIONING SERVICES
AGREEMENT", dated July 6, 2004, and further identified as
Agreement No. H-700291, and any Amendments thereto (all hereafter
"Agreement"); and

WHEREAS, it is the intent of the parties hereto to extend
Agreement and provide other changes set forth herein; and

WHEREAS, said Agreement provides that changes may be made in
the form of a written Amendment which is formally approved and
executed by the parties; and

NOW, THEREFORE, the parties agree as follows:

1. This Amendment shall be effective on February 16, 2005.

2. The first paragraph of PARAGRAPH 1, TERM, shall be amended to read as follows:

"1. TERM: The term of this Agreement shall commence on July 6, 2004 and continue in full force and effect on a month-to-month basis, and, unless sooner cancelled or terminated, shall expire on October 31, 2005. This Agreement may be terminated, with or without cause, by Contractor upon giving of at least thirty (30) calendar days' advance written notice thereof to County. In any event, County may terminate this Agreement in accordance with the TERMINATION Paragraphs of the ADDITIONAL PROVISIONS hereunder.

County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's fiscal years (July 1 - June 30) unless and until County's Board of Supervisors appropriates funds for this Agreement in County's Budget for each fiscal year. If County's Board of Supervisors fails to appropriate funds for any fiscal year, this Agreement shall be deemed to have terminated June 30th of the prior fiscal year. County shall notify Contractor in writing of such non-allocation of funds at the earliest possible date.

Notwithstanding any other provision of this Agreement, the failure of Contractor or its officers, agents, or employees to comply with the terms of this Agreement or any written directives by or on behalf of County issued pursuant hereto shall constitute a material breach hereto and this Agreement may be terminated by County immediately. County's failure to exercise this right of termination shall not constitute a waiver of such right, which may be exercised at any subsequent time.

In the event of termination or suspension of this Agreement, Contractor shall:

A. Immediately eliminate all new costs and expenses under this Agreement. New costs and expenses include, but are not limited to, those associated with new client/patient admissions. In addition, Contractor shall immediately minimize all other costs and expenses under this Agreement. Contractor shall be reimbursed only for reasonable and necessary costs or expenses incurred after receipt of notice of termination.

B. Promptly report to County in writing all information necessary for the reimbursement of any outstanding claims and continuing costs."

3. Paragraph 2, DESCRIPTION OF SERVICES, shall be amended to read as follows:

"2. DESCRIPTION OF SERVICES: Contractor shall provide the services described in Exhibits A and B, attached hereto and incorporated herein by reference."

4. Paragraph 3, MAXIMUM OBLIGATION OF COUNTY, shall be amended to read as follows:

"3. MAXIMUM OBLIGATION OF COUNTY: During the period February 16, 2005 through October 31, 2005, the maximum obligation of County for all services provided hereunder shall not exceed One Hundred Two Thousand, Six Hundred Fifty-Six Dollars (\$102,656). Such maximum obligation is comprised entirely of County funds. This sum represents the total maximum obligation of County as shown in Schedule 2, attached hereto and incorporated herein by reference."

5. Paragraph 6, COMPENSATION, shall be amended to read as follows:

"6. COMPENSATION: County agrees to compensate Contractor for performing services hereunder for actual reimbursable net cost as set forth in Schedules 1 and 2, and the COST REIMBURSEMENT Paragraph of the body of this Agreement."

6. Paragraph 7, CONFLICT OF TERMS, shall be amended to read as follows:

"7. CONFLICT OF TERMS: To the extent there exists any conflict or consistency between the language of this

Agreement including its ADDITIONAL PROVISIONS and that of any Exhibits, Attachments and Schedules, attached hereto and any documents incorporated herein by reference, the language found within this Agreement shall govern and prevail in the following order:

Schedules 1 and 2

Exhibits A and B"

7. Paragraph 33, TERMINATION FOR CONVENIENCE, of the ADDITIONAL PROVISIONS shall be amended as follows:

"33. TERMINATION FOR CONVENIENCE: The performance of services under this Agreement may be terminated, with or without cause, in whole or in part, from time to time when such action is deemed by County to be in its best interest. Termination of services hereunder shall be effected by delivery to Contractor of a ten (10) calendar day advance Notice of Termination specifying the extent to which performance of services under this Agreement is terminated and the date upon which such termination becomes effective. The Director of the Department of Health Services shall be authorized to exercise this right on County's behalf.

After receipt of a Notice of Termination and except as otherwise directed by County, Contractor shall:

A. Stop services under this Agreement on the date and to the extent specified in such Notice of Termination; and

B. Complete performance of such part of the services as shall not have been terminated by such Notice of Termination.

After receipt of a Notice of Termination, Contractor shall submit to County, in the form and with the certifications as may be prescribed by County, its termination claim and invoice. Such claim and invoice shall be submitted promptly, but not later than sixty (60) calendar days from the effective date of termination. Upon failure of Contractor to submit its termination claim and invoice within the time allowed, County may determine on the basis of information available to County, the amount, if any, due to Contractor in respect to the termination, and such determination shall be final. After such determination is made, County shall pay Contractor the amount so determined.

Contractor, for a period of five (5) years after final settlement under this Agreement, shall make available to County, at all reasonable times, all its books, records, documents, or other evidence bearing on

the costs and expenses of Contractor under this Agreement in respect to the termination of services hereunder. All such books, records, documents, or other evidence shall be retained by Contractor at a location in Los Angeles County and shall be made available within ten (10) working days of prior written notice during County's normal business hours to representatives of County for purposes of inspection or audit."

8. Exhibits A and B, SCOPE OF WORK FOR HIV/AIDS EXTENDED VENTILATION/AIR CONDITIONING SERVICES, are attached to this Amendment and incorporated in Agreement by reference.

9. Schedules 1 and 2, BUDGET FOR HIV/AIDS EXTENDED VENTILATION/AIR CONDITIONING SERVICES, are attached to this Amendment and incorporated in Agreement by reference.

10. Except for the changes set forth hereinabove, Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

/

/

/

/

/

/

/

Director of Health Services, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

COMMONWEALTH ENTERPRISES
Contractor

By _____
Signature

Printed Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM
RAYMOND G. FORTNER
COUNTY COUNSEL

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Irene E. Riley, Director
Contract Administration

OAPP-AC.AMEND1.CD.KS2005.
CD3752.KS

EXHIBIT B

COMMONWEALTH ENTERPRISES

EXTENDED VENTILATION/AIR CONDITIONING SERVICES

1. DEFINITION: COUNTY OF LOS ANGELES, DEPARTMENT OF HEALTH SERVICES, OFFICE OF AIDS PROGRAMS & POLICY (Tenant) will receive ventilation/air conditioning services and the attendance of an engineer from COMMONWEALTH ENTERPRISES (Landlord) during extended working days and weekends, services which LANDLORD does not routinely provide to the second (2nd) and sixth (6th) floor of 600 Commonwealth, Los Angeles, California 90005.

A. As used herein, the term "working Day(s)" shall mean 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding County observed holidays.

B. As used herein, the term "Weekend" shall mean 8:00 a.m. to 2:00 p.m., Saturday and Sunday.

C. LANDLORD provides air conditioning and ventilation services to TENANT during standard working days for the hours of 8:00 a.m. through 5:00 p.m. As used herein, the term "Extended Working Day" shall mean, 5:01 p.m. through 7:00 p.m., Monday through Friday.

2. SERVICES TO BE PROVIDED: In consideration for the payments provided under this Agreement, LANDLORD shall provide the following services:

A. As required by TENANT, LANDLORD shall provide extended working day air conditioning and ventilation services, Monday through Friday, from 5:01 p.m. to 7:00 p.m. and for weekends, Saturday and Sunday, from 8:00 a.m. to 2:00 p.m.

B. TENANT will provide LANDLORD with a monthly schedule of the dates when extended air conditioning and ventilation services will be necessary.

C. LANDLORD will provide an Engineer One (1) hour prior to any periods that air conditioning and ventilation services will be necessary. Engineer will be available for the duration of the time that services are provided and will turn the system off.

D. LANDLORD will be compensated at the rate of Two Hundred Eighty-Five (\$285) per hour for air conditioning/ventilation services provided during extended working days and weekends.

E. LANDLORD will be compensated at the rate of Forty-Two Dollars and Fifty cents (\$42.50) per hour for the Engineer-in-attendance on extended working days for the period, 5:01 p.m. to 7:00 p.m., Monday through Friday, and on Saturdays 8:00 a.m. to 2:00 p.m.

F. LANDLORD will be compensated at the rate of Fifty-Seven Dollars (\$57) per hour for the Engineer-in-attendance on Sundays, for the priod 8:00 a.m. to 2:00 p.m.

G. LANDLORD will provide TENANT with written notification of the rates and estimated billing costs within fifteen (15) business days of receipt of the monthly schedules from TENANT.

3. MAXIMUM OBLIGATION: For the period February 16, 2005 through October 31, 2005, the maximum obligation of Los Angeles County shall not exceed One Hundred Two Thousand, Six Hundred Fifty-Six Dollars (\$102,656).

SCHEDULE 2

COMMONWEALTH ENTERPRISES

EXTENDED VENTILATION/AIR CONDITIONING SERVICES

Budget Period
February 16, 2005
through
October 31, 2005

Maximum Obligation	\$102,656.00
Projected Number of hours of service	310
Rate per hour for air conditioning only	\$ 285.00
Rate per hour for regular engineering support	\$ 42.50
Rate per hour for Sunday engineering support	\$ 57.00

During the term of this Agreement, Landlord may submit monthly billings that vary from month to month based on usage.