County of Los Angeles
Sheriff's Department Headquarters
4700 Ramona Boulevard
Monterey Park, California 91754-2169

LEROY D. BACA, SHERIFF

February 9, 2010

**ADOPTED**
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

34 FEBRUARY 9, 2010

SACHI A. HAMAI
EXECUTIVE OFFICER

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

Dear Supervisors:

**APPROVE AMENDMENT NUMBER 11
FOR AUTHORIZATION OF EXTENSION OF AGREEMENT NUMBER 74376
WITH COMPASS GROUP USA, DBA (IN CALIFORNIA) COMPASS GROUP FOOD
SERVICES, DBA CANTEEN VENDING SERVICES
(ALL DISTRICTS) (3 VOTES)**

**SUBJECT**

This Board letter requests approval and execution of Amendment Number 11 (Amendment) to Agreement Number 74376 (Agreement) with Canteen Vending Services, a Delaware Corporation (CVS), that will extend the current Agreement for an additional period of performance. The current Agreement with CVS will expire on February 17, 2010. This extension period will enable the Los Angeles County Sheriff's Department (Department) to conclude the Request for Proposals (RFP) solicitation process for a new agreement for vending machine services for inmates only, with a Proof of Concept (POC) for enhanced technology without interruption of the revenue generating debit card vending machine services.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Chair of the Board to sign the attached Amendment to the Agreement with CVS to continue providing debit card vending machine services to inmates being held in Department detention facilities. The proposed Amendment will extend the Agreement for a period of six months through August 17, 2010.

2. Delegate authority to the Sheriff, or his designee, to terminate the Agreement earlier, in whole or in part, with 30 days advance written notice, once the Department has completed its solicitation process, entered into a new agreement for this service, and completed the transition period.

## PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of this action will ensure that there is no interruption of debit card vending machine services to the approximate 20,000 inmates being held in Department detention facilities and to the revenue generated from these vending machines. Also, the extension will allow the Department to complete its solicitation process for a new vending machine services agreement for inmates only, with a POC to determine if certain technology enhancements are workable and feasible in a custody environment.

### Implementation of Strategic Plan Goals

The services provided under this Agreement support Los Angeles County's (County) Strategic Plan, Goal 1, Operational Effectiveness; and Goal 5, Public Safety. The Amendment will continue to allow inmates to have access to the vending machines that generate revenue and, thereby, continue to support various programs and projects for inmates.

## FISCAL IMPACT/FINANCING

This is a revenue-generating Agreement. The Contractor pays the Department a commission of 35.5 percent of the total gross of vending machine sales on a monthly basis. Revenue generated is deposited into the Department's Inmate Welfare Fund, which is used to fund various educational and recreational programs and projects that benefit the inmates.

## FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Sheriff is authorized under Penal Code 4025 to operate a store in the jail facilities to allow inmates to purchase goods, supplies, and certain personal articles. Pursuant to this provision, the products sold in the debit card vending machines are for inmates only. The types of products being sold are snack items, beverages, and over-the-counter medications.

The Department released a Request for Information (RFI) on May 30, 2008, seeking information on cashless vending machine services that are currently available and any emergent technology planned for implementation within the next year such as wireless technology. Based on the information gathered from the RFI responses, the

Department determined that although enhanced technology was available, there was no one vendor that had a proven solution for said technology.

The Department released an RFP on July 24, 2009, to solicit for an agreement with a vendor to provide vending machine services to inmates only, including a requirement for a POC for enhanced technology. The proposals were due on November 5, 2009, at which time three proposals were submitted. The Department is currently in the evaluation process for these proposals.

CVS is in compliance with all Board, Chief Executive Office, and County Counsel requirements.

County Counsel has reviewed and approved the Amendment as to form.

Except as expressly provided in the Amendment, all other provisions and conditions of the Agreement will remain the same and in full force and effect.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of these actions will ensure uninterrupted vending machine services for inmates who are being held in the Department's detention facilities. Additionally, it will allow for the continued growth of its Inmate Welfare Fund, which is the principal source of funding for educational and other programs to benefit the inmates.

**CONCLUSION**

Upon approval by your Board, please return two adopted copies of this Board letter and three original executed copies of the Amendment to the Department's Contracts Unit.

Sincerely,

LEROY D. BACA
SHERIFF

**COUNTY OF LOS ANGELES**

**AMENDMENT NUMBER 11 TO AGREEMENT NUMBER 74376**
**DEBIT-CARD VENDING MACHINE SERVICES**

This Amendment Number 11 is entered into by and between the County of Los Angeles (hereinafter "COUNTY") and Compass Group USA, Inc. (doing business in California as Compass Group Food Service) dba Canteen Vending Services, a Delaware Corporation (hereinafter "CONTRACTOR").

A. WHEREAS, on February 18, 2003, COUNTY and CONTRACTOR entered into Agreement Number 74376 (hereinafter the "Agreement") to provide debit-card vending machine services; and

B. WHEREAS, the Agreement currently expires on February 17, 2010; and

C. WHEREAS, COUNTY and CONTRACTOR desire to extend the term of the Agreement for six (6) months to avoid an interruption of services while the Sheriff's Department completes its solicitation process, enters into a new agreement for services, and completes the transition process to the selected contractor; and

D. WHEREAS, COUNTY and CONTRACTOR agree that the Agreement may terminate prior to its expiration upon thirty (30) days advance written notice by COUNTY to CONTRACTOR.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, COUNTY and CONTRACTOR hereby agree as follows:

1. Effective February 18, 2010, this Agreement is extended for a six (6) month period through August 17, 2010. Notwithstanding, the Sheriff, or his designee, may terminate this Agreement earlier, in whole or in part, with thirty (30) days advance written notice of such termination.

2. Section 5.0, Term, Subsection 5.4 of the Agreement shall be deleted in its entirety and replaced as follows:

   5.4 In no event shall the SHERIFF exceed the extension periods as specified in this Section 5.0 without the authority of the Board of Supervisors.

3. Exhibit D, Defaulted Property Tax Reduction Program, is added to the Agreement.



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4. Section 49.0, Warranty of Compliance with County's Defaulted Property Tax Reduction Program, and Section 50.0, Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program, are added to the AGREEMENT as follows:

**49.0 WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles County Code Chapter 2.206 as set forth in Exhibit D (Defaulted Property Tax Reduction Program) of this Agreement.

**50.0 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

Failure of Contractor to maintain compliance with the requirements set forth in Section 49.0 (Warranty of Compliance with County's Defaulted Property Tax Reduction Program) shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within ten (10) days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of contractor, pursuant to County Code Chapter 2.206.

Except as expressly provided in this Amendment Number 11, all other provisions, and conditions of the Agreement will remain the same and in full force and effect.

CONTRACTOR represents and warrants that the person executing this Amendment Number 11 for CONTRACTOR is an authorized agent who has actual authority to bind CONTRACTOR to each and every item, condition, and obligation of the Agreement and that all requirements of CONTRACTOR have been fulfilled to provide such actual authority.

**COUNTY OF LOS ANGELES**

**AMENDMENT NUMBER 11 TO AGREEMENT NUMBER 74376**
**DEBIT-CARD VENDING MACHINE SERVICES**

IN WITNESS WHEREOF, the County of Los Angeles, by order of its Board of Supervisors has caused this Amendment Number 11 to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, and Contractor has executed this Amendment Number 11, or caused it to be duly executed by its duly authorized officer.

THE COUNTY OF LOS ANGELES

By: Gloria Molina
Chair, Board of Supervisors

ATTEST:
SACHI A. HAMAI
Executive Officer
Los Angeles County
Board of Supervisors

by: _____
Deputy

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By _____
Deputy

COMPASS GROUP USA INC. (doing business in California as COMPASS GROUP FOOD SERVICES) dba CANTEEN VENDING SERVICES

Signed: Rawn Wanamaker

Printed: RAWN WANAMAKER

Title: REGION DIRECTOR

APPROVED AS TO FORM:
COUNTY COUNSEL

By: Michele Jackson
Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#34 FEB 09 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

74376 SUPPLEMENT 3

# EXHIBIT D

# DEFAULTED PROPERTY TAX REDUCTION PROGRAM

2.206.010 Findings and declarations.
2.206.020 Definitions.
2.206.030 Applicability.
2.206.040 Required solicitation and contract language.
2.206.050 Administration and compliance certification.
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## 2.206.010 Findings and declarations.

The Board of Supervisors finds that significant revenues are lost each year as a result of taxpayers who fail to pay their tax obligations on time. The delinquencies impose an economic burden upon the County and its taxpayers. Therefore, the Board of Supervisors establishes the goal of ensuring that individuals and businesses that benefit financially from contracts with the County fulfill their property tax obligation. (Ord. No. 2009-0026 § 1 (part), 2009.)

## 2.206.020 Definitions.

The following definitions shall be applicable to this chapter:
A. "Contractor" shall mean any person, firm, corporation, partnership, or combination thereof, which submits a bid or proposal or enters into a contract or agreement with the County.
B. "County" shall mean the county of Los Angeles or any public entities for which the Board of Supervisors is the governing body.
C. "County Property Taxes" shall mean any property tax obligation on the County's secured or unsecured roll; except for tax obligations on the secured roll with respect to property held by a Contractor in a trust or fiduciary capacity or otherwise not beneficially owned by the Contractor.
D. "Department" shall mean the County department, entity, or organization responsible for the solicitation and/or administration of the contract.
E. "Default" shall mean any property tax obligation on the secured roll that has been deemed defaulted by operation of law pursuant to California Revenue and Taxation Code section 3436; or any property tax obligation on the unsecured roll that remains unpaid on the applicable delinquency date pursuant to California Revenue and Taxation Code section 2922; except for any property tax obligation dispute pending before the Assessment Appeals Board.
F. "Solicitation" shall mean the County's process to obtain bids or proposals for goods and services.
G. "Treasurer-Tax Collector" shall mean the Treasurer and Tax Collector of the County of Los Angeles. (Ord. No. 2009-0026 § 1 (part), 2009.)

## 2.206.030 Applicability.

This chapter shall apply to all solicitations issued 60 days after the effective date of the ordinance codified in this chapter. This chapter shall also apply to all new, renewed, extended, and/or amended contracts entered into 60 days after the effective date of the ordinance codified in this chapter. (Ord. No. 2009-0026 § 1 (part), 2009.)

## 2.206.040 Required solicitation and contract language.

All solicitations and all new, renewed, extended, and/or amended contracts shall contain language which:
A. Requires any Contractor to keep County Property Taxes out of Default status at all times during the term of an awarded contract;
B. Provides that the failure of the Contractor to comply with the provisions in this chapter may prevent the Contractor from being awarded a new contract; and
C. Provides that the failure of the Contractor to comply with the provisions in this chapter may constitute a material breach of an existing contract, and failure to cure the breach within 10 days of notice by the County by paying the outstanding County Property Tax or making payments in a manner agreed to and approved by the Treasurer-Tax Collector, may subject the contract to suspension and/or termination. (Ord. No. 2009-0026 § 1 (part), 2009.)

## 2.206.050 Administration and compliance certification.

A. The Treasurer-Tax Collector shall be responsible for the administration of this chapter. The Treasurer-Tax Collector shall, with the assistance of the Chief Executive Officer, Director of Internal Services, and County

Counsel, issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other departments.

B. Contractor shall be required to certify, at the time of submitting any bid or proposal to the County, or entering into any new contract, or renewal, extension or amendment of an existing contract with the County, that it is in compliance with this chapter is not in Default on any County Property Taxes or is current in payments due under any approved payment arrangement. (Ord. No. 2009-0026 § 1 (part), 2009.)

### 2.206.060 Exclusions/Exemptions.

A. This chapter shall not apply to the following contracts:
1. Chief Executive Office delegated authority agreements under $50,000;
2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor;
3. A purchase made through a state or federal contract;
4. A contract where state or federal monies are used to fund service related programs, including but not limited to voucher programs, foster care, or other social programs that provide immediate direct assistance;
5. Purchase orders under a master agreement, where the Contractor was certified at the time the master agreement was entered into and at any subsequent renewal, extension and/or amendment to the master agreement.
6. Purchase orders issued by Internal Services Department under $100,000 that is not the result of a competitive bidding process.
7. Program agreements that utilize Board of Supervisors' discretionary funds;
8. National contracts established for the purchase of equipment and supplies for and by the National Association of Counties, U.S. Communities Government Purchasing Alliance, or any similar related group purchasing organization;
9. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles Purchasing Policy and Procedures Manual, section P-3700 or a successor provision;
10. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.6.0 or a successor provision;
11. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision;
12. A non-agreement purchase worth a value of less than $5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or
13. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual section P-0900 or a successor provision;
14. Other contracts for mission critical goods and/or services where the Board of Supervisors determines that an exemption is justified.

B. Other laws. This chapter shall not be interpreted or applied to any Contractor in a manner inconsistent with the laws of the United States or California. (Ord. No. 2009-0026 § 1 (part), 2009.)

### 2.206.070 Enforcement and remedies.

A. The information furnished by each Contractor certifying that it is in compliance with this chapter shall be under penalty of perjury.
B. No Contractor shall willfully and knowingly make a false statement certifying compliance with this chapter for the purpose of obtaining or retaining a County contract.
C. For Contractor's violation of any provision of this chapter, the County department head responsible for administering the contract may do one or more of the following:
1. Recommend to the Board of Supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor; and/or,
3. Recommend to the Board of Supervisors that an exemption is justified pursuant to Section 2.206.060.A.14 of this chapter or payment deferral as provided pursuant to the California Revenue and Taxation Code. (Ord. No. 2009-0026 § 1 (part), 2009.)

### 2.206.080 Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. No. 2009-0026 § 1 (part), 2009.)