



## County of Los Angeles CHIEF EXECUTIVE OFFICE OPERATIONS CLUSTER

SACHI A. HAMAI  
Chief Executive Officer

**DATE:** September 26, 2019  
**TIME:** 1:00 p.m. – 2:30 p.m.  
**LOCATION:** Kenneth Hahn Hall of Administration, Room 830

### AGENDA

Members of the Public may address the Operations Cluster on any agenda item by submitting a written request prior to the meeting.  
Two (2) minutes are allowed for each item.

1. **Call to order – Mark Baucum/Gevork Simdjian**
2. **Public Comment**  
(2 minutes each speaker)
3. **INFORMATIONAL ITEM(S):**  
(5 minutes)
  - A) Board Letter:  
AMENDMENT NUMBER THREE TO CONTRACT #77253 WITH  
INTERNATIONAL BUSINESS MACHINES CORPORATION (IBM)  
DCFS – Phillipa Matthews-Davis, Administrative Services Manager II
  - B) Board Letter:  
TRANSIT SERVICES SMARTPHONE APPLICATION  
DPW – John Huang, Transit Manager
  - C) Board Letter:  
APPROVE THE SEVEN YEAR LEASE AMENDMENT OF THE  
DISTRICT ATTORNEY FOR OFFICE AND PARKING SPACE  
CEO/RE/DA – Michael Navarro, Chief Program Specialist
  - D) Board Letter:  
APPROVAL OF PAYMENT OF THE TENANT IMPROVEMENT  
EXPENSES/DHS (LEASE NO.78537)  
CEO/RE/DHS – Michael Navarro, Chief Program Specialist
  - E) Board Letter:  
APPROVE A PROPOSED AMENDMENT FOR THE CONTINUAL USE  
OF EXISTING OFFICE AND PARKING SPACE FOR THE BOARD OF  
SUPERVISORS  
CEO/RE/BOS – Michael Navarro, Chief Program Specialist

CONTINUED ON PAGE 2

4.

**PRESENTATION/DISCUSSION ITEMS:**

None available at this time.

5.

**Adjournment**

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**FUTURE AGENDA TOPICS**

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**CALENDAR LOOKAHEAD:**

(5 minutes)

A. Board Letter:

MIDEO CONTRACT EXTENSION

LASD – Alex Villanueva, Sheriff or designee

**BOARD LETTER/MEMO – FACT SHEET  
OPERATIONS CLUSTER**

<b>OPS CLUSTER AGENDA REVIEW DATE</b>	9/26/2019	
<b>BOARD MEETING</b>	10/15/2019	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	All	
<b>DEPARTMENT</b>	Department of Children and Family Services (DCFS)	
<b>SUBJECT</b>	Amendment Number Three to Contract Number 77253 with International Business Machines Corporation (IBM)	
<b>PROGRAM</b>		
<b>SOLE SOURCE CONTRACT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, please explain why: IBM is the only vendor permitted by the State and Federal governments to perform services on the mandated Statewide CWS/CMS. This Amendment will allow the County to continue to contract with IBM to provide uninterrupted technical support for CWS/CMS data transfer services to DCFS.	
<b>DEADLINES/ TIME CONSTRAINTS</b>	The Board letter is scheduled for an October 2, 2019 Family Social Services Cluster and for the October 15, 2019 Board meeting.	
<b>COST &amp; FUNDING</b>	Total cost: The Maximum Annual Contract Amount is \$130,000. The total cost for the Contract is \$780,000, if all options are exercised.	Funding source: 46% Federal, 39% State, and 15% Net County Cost. Sufficient funding is included in the Department's FY 2019-2020 Adopted Budget.
	TERMS (if applicable): This Amendment will be effective December 1, 2019 through November 30, 2022, with three optional one-year extension periods provided IBM continues to remain the State and Federal governments' sole provider of daily download services from the CWS/CMS.	
	Explanation: The Maximum Annual Contract Amount is \$130,000 to provide continuing support for daily downloads of County CWS/CMS data to the Department's the data warehouse, known as the County Access to Data (CAD).	
<b>PURPOSE OF REQUEST</b>	The recommended extension will enable IBM to continue to provide DCFS with CWS/CMS daily download services to DCFS' CAD data warehouse, including ongoing service support for the data transfer process, troubleshooting and resolving data issues, testing and validating changes, and providing documentation to ensure the CWS/CMS changes are properly reflected in the DCFS CAD data warehouse for data integrity purposes.	
<b>BACKGROUND (include internal/external issues that may exist)</b>	Under the California Welfare Institutions Code (WIC) Section 16501, the State was required to develop and use a Statewide system to be used by counties to support child welfare operations. The CWS/CMS system was made possible through Federal funds (45 CFR 1355.53). IBM is the only vendor authorized by the State and Federal governments to perform services on the mandated Statewide CWS/CMS.	
<b>DEPARTMENTAL AND OTHER CONTACTS</b>	Name, Title, Phone # & Email: Phillipa Matthews-Davis, Administrative Services Manager II (562) 345-6641 <a href="mailto:matthp@dcfs.lacounty.gov">matthp@dcfs.lacounty.gov</a>	



County of Los Angeles  
**DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

425 Shatto Place, Los Angeles, California 90020  
(213) 351-5602



BOBBY D. CAGLE  
Director

BRANDON T. NICHOLS  
Chief Deputy Director

Board of Supervisors

HILDA L. SOLIS  
First District

MARK RIDLEY-THOMAS  
Second District

SHEILA KUEHL  
Third District

JANICE HAHN  
Fourth District

KATHRYN BARGER  
Fifth District

October 15, 2019

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

Dear Supervisors:

**AMENDMENT NUMBER THREE TO CONTRACT NUMBER 77253 WITH  
INTERNATIONAL BUSINESS MACHINES CORPORATION**

**(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X)**

**SUBJECT**

The County of Los Angeles Department of Children and Family Services (DCFS) requests delegated authority to amend Contract Number 77253 with International Business Machines Corporation (IBM) to extend the contract term for three years with three one-year options to provide daily downloads from the California State Child Welfare Services/Case Management System (CWS/CMS) for a Maximum Annual Contract Amount of \$130,000.

**IT IS RECOMMENDED THAT THE BOARD:**

- 1) Delegate authority to the Director, or designee, to execute an Amendment, substantially similar to the attached Amendment with IBM for daily downloads from the CWS/CMS to extend the contract effective December 1, 2019 through November 30, 2022, with three optional one-year extension periods provided IBM continues to remain the State and Federal governments' sole provider of County's access to daily download services from the CWS/CMS. The Maximum Annual Contract Amount is \$130,000. This contract is financed using 46 percent Federal funds, 39 percent State funds, and 15 percent net County cost funds.

*"To Enrich Lives Through Effective and Caring Service"*

Sufficient funding is included in the Department's FY 2019 - 2020 Adopted Budget.

- 2) Delegate authority to the Director, or designee to terminate the contract for contractor's default, or for the County's convenience, contingent upon:  
(a) approval by County Counsel; and (b) the Director notifies the Board and CEO in writing, within ten business days of terminating the contract.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the first recommendation will allow the Director, or designee, to execute an Amendment with IBM to extend the term of the Contract for an additional three years through November 30, 2022 with the County's option for up to three additional years through November 30, 2025. The current Agreement term expires on November 30, 2019, with a continued need for services.

Approval of the second recommendation will allow the Director, or designee, to terminate the contract contingent upon approval by County Counsel and notification to Board and CEO within ten days of terminating the contract.

The recommended extension will enable IBM to continue to provide DCFS with CWS/CMS daily download services to DCFS' County Access to Data (CAD) data warehouse, including ongoing service support for the data transfer process, troubleshooting and resolving data issues, testing and validating changes, and providing documentation to ensure the CWS/CMS changes are properly reflected in the DCFS CAD data warehouse for data integrity purposes.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The recommended actions are consistent with the principles of the Countywide Strategic Plan Goal No. 3, Realize Tomorrow's Government Today: Prioritize and Implement Technology Initiatives that Enhance Service Delivery and Increase Efficiency.

### **FISCAL IMPACT/FINANCING**

The Maximum Annual Contract Amount is \$130,000. This contract is financed using 46 percent Federal funds, 39 percent State funds, and 15 percent net County cost funds. Sufficient funding is included in the Department's FY 2019 - 2020 Adopted Budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Under the California Welfare Institutions Code (WIC) Section 16501, the State was required to develop and use a Statewide system to be used by counties to support child welfare operations. The CWS/CMS system was made possible through Federal funds (45 CFR 1355.53). IBM is the only vendor authorized by the State and Federal governments to perform services on the mandated Statewide CWS/CMS.

On March 16, 2010, the Board approved a sole source contract with IBM for Moves, Adds and Changes (MAC)/CAD services. Since then, the Board approved two separate Amendments to extend the contract and increase the Contract Amount to change the scope of service. The current contract term expires on November 30, 2019.

On June 12, 2019, in accordance with the Board of Supervisors Policy Manual Chapter 5, Sections 5.100, the Department notified the Board of its intent to request delegated authority to execute an Amendment to extend a sole source contract for Contract Number 77253 with IBM. This Amendment updates the Contract with Board required provisions and removes the MAC component of the current contract, decreasing the Maximum Annual Contract Amount by \$20,000, from \$150,000 to \$130,000. Therefore, all reference of MAC will be removed from the current contract and will be renamed to "On-Going Support of the American Standard Code for Information Interchange (ASCII) Daily Download."

The Chief Information Officer (CIO) recommends approval of Amendment Three. The CIO determined that because this requested action funds daily download services and does not include any technology related changes, no formal CIO Analysis is required. The CEO and County Counsel reviewed the Board letter, Amendment, and Exhibits. The Amendment was approved as to form by County Counsel.

### **CONTRACTING PROCESS**

No additional contracting process is required.

### **CONTRACTOR PERFORMANCE**

The contractor has continually met all performance standards as outlined in the current contract and has been determined to be a responsive and responsible contractor by the County's Program Manager.

**IMPACT ON CURRENT SERVICES**

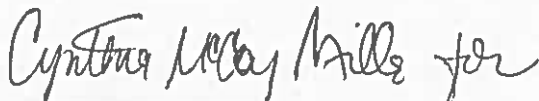
Approval of the proposed recommendation will allow the County continuous, immediate, and complete access to critical case information, case updates, and to perform basic tasks to ensure that the well-being of children and families is maintained and recorded in the CWS/CMS.

**CONCLUSION**

Upon Board approval, the Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board letter and Amendment to the Department of Children and Family Services.

Respectfully submitted,

Reviewed by:



BOBBY D. CAGLE  
Director

WILLIAM S. KEHOE  
Chief Information Officer

BDC:KR  
LTI:EO:js

Attachment

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

## SOLE SOURCE CHECKLIST

Department Name: \_\_\_\_\_

New Sole Source Contract

Existing Sole Source Contract      Date Sole Source Contract Approved: \_\_\_\_\_

Check (✓)	<b>JUSTIFICATION FOR SOLE SOURCE CONTRACTS</b> Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an “ <i>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.</i> ”
	➤ 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

\_\_\_\_\_ Date



## **Sole Source Justification**

IBM On-going Support of the American Standard Code Information Interchange (ASCII)  
Daily Download  
Amendment # 3 - December 2019

1. What is being requested?

Extend sole source contract number 77253 with International Business Machines Corporation (IBM) for daily downloads from the California State Child Welfare Services/Case Management System (CWS/CMS).

2. Why is the product needed – how will it be used?

IBM services are needed to provide continuing support of the ASCII daily download to the data warehouse, known as County Access to Data (CAD) to the Child Welfare Services/Case Management System (CWS/CMS) servers and other key infrastructure components.

3. Is this brand of product the only one that meets the user's requirements?

Yes, IBM is the only vendor who is permitted by the State and Federal governments to perform services on the mandated Statewide CWS/CMS.

4. Have other products or vendor been considered?

No, other products or vendor have not been considered because IBM is the only vendor who is permitted by the State and Federal governments to perform services on the mandated Statewide CWS/CMS.

5. Will purchase of this product avoid other costs?

N/A

6. Is this product proprietary or available from other dealers?

This product is proprietary and is not available through other dealers. IBM is the sole provider.

7. Reasonableness of price. Does county obtain a percentage discount or special discount not available to the private sector.

The County does not get a discount. The support services are not available from any other provider.

8. What is the dollar value of the existing equipment?

N/A. This proposal is for support services not hardware.

**BOARD LETTER/MEMO – FACT SHEET  
OPERATIONS CLUSTER**

<b>OPS CLUSTER AGENDA REVIEW DATE</b>	9/26/2019	
<b>BOARD MEETING</b>	11/19/2019	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	All	
<b>DEPARTMENT</b>	Public Works	
<b>SUBJECT</b>	<b>AWARD SERVICES CONTRACT FOR TRANSIT SERVICES SMARTPHONE APPLICATION</b>	
<b>PROGRAM</b>		
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
<b>DEADLINES/ TIME CONSTRAINTS</b>	None	
<b>COST &amp; FUNDING</b>	Total cost: <b>\$104,225</b>	Funding source: Project will be funded with Proposition A Transit Operations Fund.
	TERMS (if applicable): The contract will be for a period of two years with up to three 1-year renewal options and six month-to-month extensions for a maximum potential contract term of 66 months.	
	Explanation: There will be no impact to the County General Fund. The estimated maximum potential contract sum of this contract is \$104,225, which includes change orders, optional services, and vehicle locator replacement. The contract includes \$24,370 for the development of the smartphone application, which is estimated to take approximately 6 months but no longer than 1 year to complete. Annual maintenance of \$15,640 shall begin on the date of the County's final acceptance, for up to four years and \$1,304 per month for the six month-to-month extensions. Each term shall have an additional 10 percent of the contract sum for unforeseen, additional work within the scope of the contract, if required.	
	Funding for these services is included in the Proposition A Local Return Transit Program in the Transit Operations Fund Fiscal Year 2019-20 Budget. Funds to finance the contract's renewal years and 10 percent additional funding for contingencies will be requested through the annual budget process.	
<b>PURPOSE OF REQUEST</b>	Approval to award a service contract to develop and maintain a smartphone application to provide up-to-the-minute bus location information to transit users.	
<b>BACKGROUND (include internal/external issues that may exist)</b>	Public Works operates 16 transit services. Some of the services have multiple routes which operate with two service vehicles. In total, 28 service vehicles will require vehicle locator (GPS) devices to be installed as part of this project.  Although transit services are available every day, bus location information is only available during normal business hours from Monday through Thursday, 7:00 a.m. to 5:00 p.m. The smartphone application will deliver real time vehicle location data to transit users, at all times, thus enhancing service delivery and improving customer service for County residents.	
<b>DEPARTMENTAL AND OTHER CONTACTS</b>	Name, Title, Phone # & Email: <ul style="list-style-type: none"> <li>John Huang, Transit Manager, 626-458-3968, JHUANG@dpw.lacounty.gov</li> </ul>	





**William S. Kehoe**  
CHIEF INFORMATION OFFICER

## Office of the CIO CIO Analysis

BOARD AGENDA DATE:

11/19/2019

**SUBJECT:**

**Award Services Contract for Transit Services Smartphone Application**

**CONTRACT TYPE:**

New Contract       Sole Source       Amendment to Contract #:

**SUMMARY:**

Description: The Department of Public Works (DPW) is seeking approval to award a contract to DoubleMap, Inc. to provide transit services smartphone applications (“apps”) that will allow riders of DPW-operated transit vehicles to utilize an “LAGoBus”-branded Android or iOS app to see live bus locations and next-bus arrival times. The apps require automated vehicle locator (AVL) devices, which use Global Positioning System (GPS) and cellular communications technologies to provide the real-time location of DPW’s transit service vehicles during all service hours. The contract includes the delivery of the smartphone apps; a web app for an interactive web site (if DPW so chooses to implement it); an administrative website; the AVL devices; corresponding wireless data plans for the AVL’s; replacement devices in case of damage, loss, or theft; and one year of maintenance during the base two-year contract period. The recommended Contract includes optional extensions for up to an additional three and one-half years.

DPW is further recommending to the Board of Supervisors that it find the contract work is not a project under the California Environmental Quality Act and that it delegate authority to the Director of Public Works to execute the contract, to renew the contract during the optional extension periods, to approve and execute amendments for changes within the scope of work, to suspend work if the Director believes it is in the best interests of the County to do so, and to increase the contract amount up to an additional 10 percent of the annual contract sum for unforeseen additional work within the scope of the contract.

Contract Amount: \$104,225, including all optional extensions and contingency

**FINANCIAL ANALYSIS:**

**Contract costs:**

**One-time costs**

Equipment & installation (30 vehicles) .....	\$	14,850
App Development .....	\$	2,000
Wireless Data Plan (6 months) .....	\$	2,520
<b>Total one-time costs: .....</b>	<b>\$</b>	<b>19,370</b>

Annual costs:	
Maintenance .....	\$ 5,600
Wireless Data Plan.....	\$ <u>5,040</u>
Subtotal annual costs:.....	\$ 10,640
<b>Total annual costs based on 54 months:<sup>1</sup> .....</b>	<b>\$ 47,880</b>
<b>Replacement AVL's (damage/loss/theft):.....</b>	<b>\$ 27,500</b>
<b>Contingency (10 percent):.....</b>	<b>\$ <u>9,475</u></b>
<b>Maximum Contract Sum:.....</b>	<b>\$ 104,225</b>

Notes:

<sup>1</sup> The Maximum Contract Term is 66 months with all optional terms, but in calculating the contract authority DPW anticipates that the application development and equipment installation may take up to 12 months, during which time the County would not pay maintenance fees. Therefore, 54 months is used to calculate the anticipated maintenance costs over the life of the Contract.

DPW notes that there will be no impact to the County General Fund, as the Contract funding is included in the FY 2019-2020 Transit Operations Fund Budget as part of the Proposition A Local Return Transit Program. Future fiscal year funding will be requested in the annual budget process, and the Contract provides for Termination/Suspension for Nonappropriation of Funds in the event that future funding is not appropriated for this Contract.

RISKS:

1. **Contractor Performance** – DoubleMap will be leveraging technology, software, and services that it uses for other transit systems, reducing the risk and time to delivery for DPW’s smartphone apps. The Contract includes provisions for Termination/Suspension for Convenience and Termination/Suspension for Default. The Contractor must carry Technology Errors & Omissions insurance with limits not less than \$10 million. The Performance Requirement Summary identifies deductions for failure to meet the required performance indicators and are assessed on a per-occurrence or a per-occurrence per day basis that ranges from \$100-500. This includes deductions for app outages, failure to respond to security incidents, and failure to respond to complaints, requests, or discrepancies. There are also terms for liquidated damages in the amount of \$200 per day for failure to complete work as specified. Additionally, any fines assessed on the County for the Contractor’s negligence or failure to comply with federal, state, or local rules, regulations, or requirements will be passed through to the Contractor plus a \$500 deduction per occurrence. The Department, as part of the County’s Quality Assurance Plan, will monitor the Contractor’s performance under the Contract at least once per year. Finally, the app development payment is subject to a 15%



holdback to be released upon final acceptance by the County. These provisions should be adequate to ensure acceptable contractor performance and correct any deficiencies.

- 2. **Technology Changes** – Due to the rapid evolution of consumer technologies, it is likely over time that the methods and devices for accessing transit information will change. This risk is mitigated by the Contract’s frequent and short optional maintenance extensions and the relatively low initial and on-going costs associated with providing the real-time location data of DPW’s transit fleet to the public. The Contractor is also required to maintain the apps during the contract, including changes required by the underlying smartphone operating system updates.

OCIO has asked DPW whether the location and schedule data could be integrated with other County systems or third-party services and applications. The Department indicated that such integrations could be possible and could potentially make use of the contingency authority requested in this Board Letter. The sharing of this useful public data will also reduce the risk of obsolescence by leveraging innovation from third-party software developers who might use the LAGoBus vehicle location in their own transit or routing apps and services.

- 3. **Information Security Review** – The Contract and Scope of Work were reviewed by DPW’s Information Security Officer and by a County Deputy Chief Information Security Officer. They determined that the risk profile of the Transit Services Smartphone Application to be low, considering that there is no sensitive or personally identifiable data involved and service disruptions to the applications or AVL systems will not impact the delivery of transit services. The identified security requirements are addressed in the Contract’s security requirements exhibit. The information security officers conducting the review did not recommend that cyber liability insurance be required for this contract. The review noted that no background location tracking of the transit user will be allowed unless the user opts-in and that no in-app advertising will be allowed.

PREPARED BY:

ERIC M. SASAKI, DEPUTY CHIEF INFORMATION OFFICER

DATE

APPROVED:

WILLIAM S. KEHOE, COUNTY CHIEF INFORMATION OFFICER

DATE

November 19, 2019

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:

**SERVICES CONTRACT  
TRANSPORTATION CORE SERVICE AREA  
AWARD SERVICES CONTRACT FOR  
TRANSIT SERVICES SMARTPHONE APPLICATION FOR THE DEPARTMENT OF  
PUBLIC WORKS  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X)**

**SUBJECT**

Public Works is seeking Board approval to award a service contract to develop and maintain a smartphone application to make up-to-the-minute bus location information available to transit users in order to improve the transit experience for Los Angeles County shuttle services.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the contract work in this Board letter is not a project pursuant to the California Environmental Quality Act.
2. Award the contract for Transit Services Smartphone Application to DoubleMap, Inc., for a maximum not-to-exceed contract amount of \$104,225, and a contract period of two years with up to three 1-year renewal options and six month-to-month extensions for a maximum potential contract term of 66 months.
3. Delegate authority to the Director of Public Works or his designee to execute the contract; to renew the contract for each additional renewal option and extension period if, in the opinion of the Director, DoubleMap, Inc. successfully performed during the previous contract period and the services are still required; to approve and execute amendments to incorporate necessary

changes within the scope of work; and to suspend work if, in the opinion of the Director, it is in the best interest of the County to do so.

4. Delegate authority to the Director of Public Works or his designee to annually increase the contract amount up to an additional 10 percent of the annual contract sum for unforeseen, additional work within the scope of the contract, if required.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommended action will award a contract to DoubleMap, Inc., to develop a new smartphone application and maintain the application to provide up-to-the-minute bus location information to transit users in order to improve the transit experience for Los Angeles County shuttle service riders.

### **Implementation of Strategic Plan Goals**

The County Strategic Plan directs the provision of Strategy III.2, Embrace Digital Government for the Benefit of our Internal Customers and Communities and Objective III.2.3, Prioritize and Implement Technology Initiatives that Enhance Service Delivery and Increase Efficiency; and Strategy III.4, Engage and Share Information with our Customers, Communities, and Partners and Objective III.4.2, Share and Publish More Data. The recommended actions allow delivery of real time vehicle location data to our transit users across the County thus enhancing service delivery and improving customer service for our County residents.

### **FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund.

The estimated maximum potential contract sum of this contract is \$104,225, which includes change orders, optional services, and vehicle locator replacement. The contract includes \$24,370 for the development of the smartphone application, which is estimated to take approximately 6 months but no longer than 1 year. Annual maintenance of \$15,640 shall begin on the date of the County's final acceptance, for up to four years and \$1,304 per month for the six month-to-month extensions. Each term shall have an additional 10 percent of the contract sum for unforeseen, additional work within the scope of the contract, if required. These amounts are based on the unit prices quoted by the contractor and our estimated annual utilization of the contractor's services.



Funding for these services is included in the Proposition A Local Return Transit Program in the Transit Operations Fund Fiscal Year 2019-20 Budget. Funds to finance the contract's renewal years and 10 percent additional funding for contingencies will be requested through the annual budget process.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The recommended contractor is DoubleMap, Inc., located in Indianapolis, Indiana. This contract will commence upon the Board's approval and Notice to Proceed, whichever occurs last, for two years with up to three 1-year renewal options and six month-to-month extensions for a maximum potential contract term of 66 months.

County Counsel has reviewed and approved the recommended contract as to form. The recommended contract with DoubleMap, Inc. was solicited on an open-competitive basis and is in accordance with applicable Federal, State, and County requirements. The contractor is in compliance with the requirements of the Chief Executive Officer and the Board.

The contract contains all standard County required terms and conditions in compliance with the Board's ordinances, policies, and programs. Enclosure A reflects the proposer's utilization participation and community business enterprise program information. Data regarding the proposers' minority participation is on file with Public Works. The contractor was selected upon final analysis and consideration without regard to race, creed, gender, or color.

Public Works has evaluated and determined that the Living Wage Program (Los Angeles County Code, Chapter 2.201) does not apply to this recommended contract, which is for services required on an as-needed and intermittent basis; hence, this contract is not a Proposition A contract (Los Angeles County Code, Chapter 2.121).

This contract does not allow for a cost-of-living adjustment for the optional years.

The Chief Information Officer (CIO) has reviewed this request and recommends approval. The CIO Analysis is enclosed as Enclosure B.

### **ENVIRONMENTAL DOCUMENTATION**

This service is not a project pursuant to the California Environmental Quality Act because it is an activity that is excluded from the definition of a project by Section 15378(b) of the State California Environmental Quality Act Guidelines. The proposed action is an administrative activity of government, which will not result in direct or indirect physical changes to the environment.

### **CONTRACTING PROCESS**

On January 8, 2018, a notice of the RFP was placed on the County's "Doing Business With Us" website (Enclosure C); "Public Works Business Opportunities" website; Twitter; and advertisements were placed in the Los Angeles Daily Journal; Los Angeles Sentinel; and La Opinión. Also, Public Works informed 1329 Local Small Business Enterprises, 127 Disabled Veteran Business, 75 Social Enterprises, and 75 independent contractors, various business development centers, and municipalities about this business opportunity.

On February 6, 2018, three proposals were received. They were first reviewed to ensure they met the minimum requirements in the RFP. All proposals having met these requirements, were then evaluated by an evaluation committee consisting of Public Works staff. The evaluation was based on criteria described in the RFP, which included the price, experience, work plan, financial resources, and references utilizing the informed averaging methodology for applicable criteria. Based on this evaluation, it is recommended that this contract be awarded to the highest-rated, lowest cost, apparent responsive, and responsible proposer, DoubleMap, Inc, located in Indianapolis, Indiana.

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

Approval of this request will provide Public Works with services to implement a new smartphone application. The award of this contract will not result in the displacement of any County employees.

The Honorable Board of Supervisors  
November 5, 2019  
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**CONCLUSION**

Please return one adopted copy of this Board letter to Public Works, Business Relations and Contracts Division.

Respectfully submitted:

Reviewed by:

MARK PESTRELLA  
Director of Public Works

WILLIAM S. KEHOE  
Chief Information Officer

GF:JQ:ss

Enclosures

c: Chief Executive Office (Chia-Ann Yen)  
Chief Information Office  
County Counsel (Carole Suzuki)  
Executive Office

bc: Information Technology – Systems & Applications (Jewel Libid)

**BOARD LETTER/MEMO – FACT SHEET  
OPERATIONS CLUSTER**

<b>OPS CLUSTER AGENDA REVIEW DATE</b>	9/26/2019	
<b>BOARD MEETING</b>	10/15/2019	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	1 <sup>st</sup>	
<b>DEPARTMENT</b>	District Attorney (DA)	
<b>SUBJECT</b>	Approve a proposed seven-year Lease Amendment for continued use of 10,000 square feet of office space and 40 on-site parking spaces at 5900 S. Eastern Avenue, Commerce.	
<b>PROGRAM</b>	Bureau of Investigations' Auto Insurance Fraud Organized Crime Task Force and Code Enforcement Section (Task Force).	
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
<b>DEADLINES/ TIME CONSTRAINTS</b>	The existing lease is currently on a month-to-month holdover since April 2019.	
<b>COST &amp; FUNDING</b>	Total cost: \$1,930,940 total lease rental cost over 7 years.	Funding source: 100 percent funded as net County cost.
	TERMS (if applicable): The proposed base and parking rent are subject to Consumer Price Index (CPI) annual increases capped at 3 percent.	
	Explanation: Funding for the proposed amendment will be included in the Fiscal Year 2019-2020 Rent Expense budget and will be billed back to the DA.	
<b>PURPOSE OF REQUEST</b>	Approval of the recommended action will authorize and adequately continue to provide the necessary office space for the DA.	
<b>BACKGROUND (include internal/external issues that may exist)</b>	<p>The proposed lease will allow the DA to continue its operations at this existing Task Force office at 5900 S. Eastern Avenue, Commerce.</p> <p>The lease will include new carpet and paint as a Base Tenant Improvement (TI) at the existing facility.</p>	
<b>DEPARTMENTAL AND OTHER CONTACTS</b>	<p>Name, Title, Phone # &amp; Email:</p> <p>Michael Navarro CEO- Real Estate Division 213-974-4364 Mnavarro@ceo.lacounty.gov</p>	



SACHI A. HAMAII  
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  
HILDA L. SOLIS  
First District

MARK RIDLEY-THOMAS  
Second District

SHEILA KUEHL  
Third District

JANICE HAHN  
Fourth District

KATHRYN BARGER  
Fifth District

October 15, 2019

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:

**LEASE AMENDMENT  
DISTRICT ATTORNEY  
5900 SOUTH EASTERN AVENUE, COMMERCE  
(FIRST DISTRICT)  
(3 VOTES)**

### **SUBJECT**

Approval of a proposed seven-year lease amendment to provide the District Attorney continued use of 10,000 square feet of office space and 40 onsite parking spaces.

### **IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed amendment is exempt from the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed seven-year lease amendment at 5900 South Eastern Avenue, Commerce, with 3351 Drew Street, LLC, a limited liability company, and Commerce, Plaza, LLC, a California limited liability company, (Landlord), for approximately 10,000 square feet of office space at an annual first year rental cost not to exceed \$252,000. The rental costs are 100 percent net County cost.

3. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed lease amendment, and authorize the Chief Executive Officer and the District Attorney, or their respective designees, to take actions necessary and appropriate to implement the proposed lease amendment, including, without limitation, early termination rights and exercising any options to extend.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The District Attorney (DA) has been at the 5900 South Eastern Avenue, Commerce location since April 2009, when it was initially built-out for County use. The facility houses the DA's Bureau of Investigations' Auto Insurance Fraud Organized Crime Task Force and Code Enforcement Section (Task Force). The Task Force is actively involved in the investigation and prosecution of complex fraud rings as well as violent and dangerous criminals. In addition, the facility provides access to outside agencies which act as collaborative partners in the investigation and prosecution of auto insurance fraud within the County. The program is a covert operation that investigates and prosecutes individuals, criminal fraud organizations, and their co-conspirators.

The existing lease has been on month-to-month holdover with no penalty since April 2019, while negotiations for a lease extension were ongoing. Given the unique operations at this facility, the centralized location, and costs associated with a potential move, the DA opted to maintain its tenancy at the existing location. The facility is also in proximity to various public transportation routes.

Approval of the recommended actions will find that the proposed lease amendment is exempt from CEQA and will allow the DA to continue operating at the subject facility.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan Goal 1 of "Make Investments That Transform Lives" directs that we will aggressively society's most complicated social, health, and public safety challenges. The proposed lease amendment supports this goal with a facility that provides proper accommodations for office space in a centrally located office with adequate space for employees and collaborators. The proposed lease amendment is in conformance with the Asset Management Principles, as outlined in Attachment A.

### **FISCAL IMPACT/FINANCING**

The proposed lease amendment will have the following financial impact:

- The annual base rent for the first year of the extension term is \$252,000 or \$25.20 per square foot on an annual basis. The aggregate base rent for the existing office space over the seven-year term would be approximately \$1,930,940, which includes annual rent increases based on the Consumer Price Index (CPI) capped at 3 percent per annum.
- In negotiating this renewal, staff was able to obtain an approximately 15 percent decrease in the existing base rent.
- This is a full-service gross lease whereby the Landlord is responsible for all operating and maintenance expenses associated with the premises. Attachment B provides an overview of the proposed rental costs.

Sufficient funding to cover the proposed rent costs for the first year for the proposed lease amendment is included in the Fiscal Year (FY) 2019-20 Rent Expense budget and will be billed back to the DA. The DA has sufficient funding in their FY 2019-20 operating budget to cover these costs for the same period. Beginning in FY 2020-21, ongoing funding for the proposed lease amendment will continue to be part of the budget for the DA. The costs for the DA are 100 percent net County cost.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

In addition to the terms previously stated, the proposed lease amendment also contains the following provisions:

- A cancellation provision that allows the County to terminate the proposed lease amendment any time after the 60th month of the extended lease amendment term with 180 days prior written notice without penalty.
- The proposed lease amendment will become effective upon approval by the Board of Supervisors, however, the new term and rent will commence upon full execution of the lease amendment.
- Landlord will replace the carpet and paint the premises at no cost to the County.

The Chief Executive Office (CEO), conducted a survey within the project area to determine the availability of comparable office space options. Due to the tenant improvements needed if the DA moved to a new space, the proposed space is the most cost effective option. Based upon a review of available industry data, it was established that the annual rental range for similar space is between \$24 and \$30 per square foot per year. In comparison, the base rent of \$25.20 per square foot per year for the proposed lease agreement is within the market range for the area.

Attachment C shows County-owned or leased facilities in the proximity of the service area, and there are no suitable County-owned or leased facilities available for the program.

The Department of Public Works inspected this facility and found it suitable for the County's occupancy. A notification letter to the City of Commerce has been sent as required by Government Code Section 25351. County Counsel has reviewed the attached proposed lease amendment and approved it as to form.

The proposed lease amendment will continue to provide an appropriate location for the program, which is consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012, as outlined in Attachment D.

### **ENVIRONMENTAL DOCUMENTATION**

The proposed lease amendment is exempt from CEQA. The proposed lease amendment, which renews existing lease space with minor tenant improvements within an existing building, is within a class of projects that have been determined not to have a significant effect on the environment and which meets the criteria set forth in Section 15301 of the State CEQA Guidelines (Guidelines) and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, based on the proposed lease amendment, it will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic

highways, listing on hazardous waste site lists compiled pursuant to Government Code section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

Upon the Board's approval of the recommended actions, a Notice of Exemption will be filed with the Registrar-Recorder/County Clerk in accordance with Section 21152 of the California Public Resources Code.

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

The proposed lease amendment will continue to adequately provide the necessary office space for this County requirement. The DA concurs with the proposed recommendation.

**CONCLUSION**

It is requested that the Executive Office, Board of Supervisors, return two certified copies of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division, at 320 W. Temple Street, 7th Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

SAH:FAD:DPH:DL  
JLC:MN:NH:gw

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
District Attorney



ATTACHMENT A

**DISTRICT ATTORNEY  
5900 SOUTH EASTERN AVENUE, COMMERCE  
Asset Management Principles Compliance Form<sup>1</sup>**

1. <u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions?			X
B	Does lease co-locate with other functions to better serve clients?			X
C	Does this lease centralize business support functions?			X
D	Does this sublease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>Ratio is approx. 277sf per person due to space required for specialized monitoring and surveillance equipment as well as weapons and law enforcement devices.</b>		X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline?	X		
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location?	X		
2. <u>Capital</u>				
A	Is it a substantial net County cost (NCC) program? 100% NCC	X		
B	Is this a long-term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Attachment C (aka "Space Search")?	X		
G	Was build-to-suit or capital project considered? <sup>2</sup> <b>County already occupies facility and a capital project was not considered.</b>		X	
3. <u>Portfolio Management</u>				
A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered? <sup>2</sup>	X		
D	Why was this program not co-located?			
	1. ___ The program clientele requires a "stand alone" facility.			
	2. <u>X</u> No suitable County occupied properties in project area.			
	3. ___ No County-owned facilities available for the project.			
	4. ___ Could not get City clearance or approval.			
	5. ___ The Program is being co-located.			
E	Is sublease a full-service sublease?	X		
F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval? <sup>1</sup>	X		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98				
<sup>2</sup> If not, why not?				

**COMPARISON OF PROPOSED LEASE AMENDMENT AND EXISTING LEASE**

<b>5900 S. Eastern Ave., Commerce</b>	<b>Existing Lease</b>	<b>Proposed lease amendment</b>	<b>Change</b>
Area (Square Feet)	10,000	10,000	None
Term (years)	Ten years (4/9/2009-4/8/2019) currently on month-to- month holdover	Seven years	-3 years
Annual Base Rent	\$289,560 (\$28.96 sq. ft. annually)	\$252,000 (\$25.20 sq. ft. annually)	-\$37,560
Annual Parking Cost (40 Included in rent)	\$0	\$0	None
Cancellation	County after 5 years with 180 days' notice	County after 5 years with 180 days' notice	None
Rental adjustment	Annual CPI increases capped at 6 percent with 3 percent floor	Annual CPI increases capped at 3 percent, no floor	-3 percent

OVERVIEW OF THE PROPOSED LEASE AMENDMENT COST

5900 S. Eastern Ave  
District Attorney

Leased Area (sq.ft.) 10,000  
 Term (months) 84  
 Annual Rent Adjustment 3%  
 Cost Per RSF Per Month \$2.10  
 Cost Per RSF PER Year \$25.20

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	Total 7 Year Rental Costs
<b>Annual Base Rent Cost <sup>1</sup></b>	252,000	259,560	267,347	275,367	283,628	292,137	300,901	1,930,940
<b>Parking Cost <sup>2</sup></b>	0	0	0	0	0	0	0	0
<b>Total Annual Rental Costs</b>	252,000	259,560	267,347	275,367	283,628	292,137	300,901	1,930,940

<sup>1</sup> Annual base rent Includes projection of CPI index over term with annual increases at maximum of three percent per annum.

<sup>2</sup> Annual parking cost is \$0. A total of 54 parking spaces are included in the rent costs.

**DISTRICT ATTORNEY  
SPACE SEARCH – GREATER COMMERCE AREA**

LACO	Name	Address	Ownership	Building Type	Gross Sq. Ft.	Available Sq. Ft.
A460	DHS - Ferguson Administrative Services Ctr	5555 Ferguson Dr., Commerce 90022	Owned	Office	246,550	None
A284	Rancho - Jacquelyn Perry Institute	7601 E Imperial Hwy. Downey 90242	Financed	General Hospital	220,000	None
5864	ISD - Eastern Ave Complex Crafts Shops/Warehouse	1102 N Eastern Ave. Los Angeles 90063	Owned	Service Building	167,584	None
A133	Child Support Services - Division II Headquarters	5770 S Eastern Ave. Commerce 90040	Leased	Office	88,444	None
5863	ISD - Administrative Headquarters	1100 N Eastern Ave. Los Angeles 90063	Owned	Office	80,309	None
A755	Public Library - Headquarters	7400 E Imperial Hwy. Downey 90242	Owned	Office	68,482	None
3385	Rancho - Hospital Office Building 500,501,502 & 503	7601 E Imperial Hwy. Downey 90242	Financed	General Hospital	63,850	None
5082	Rancho - Building 100/Medical Clinic	7601 E Imperial Hwy. Downey 90242	Owned	Skilled Nursing	59,278	None
X238	Rancho - Support Services Administration Building	7601 E Imperial Hwy. Downey 90242	Financed	Office	56,002	None
5357	Rancho - Building 900/Pediatric Clinic	7601 E Imperial Hwy. Downey 90242	Owned	Skilled Nursing	54,677	None
A332	Child Support Services - Training/IT Division	5500 S Eastern Ave. Commerce 90040	Leased	Office	48,794	None
6578	DPSS - Metro East AP District Office	2855 E Olympic Blvd. Los Angeles 90023	Owned	Office	41,600	None
C740	DPSS - Florence AP District Office	1740 E Gage Ave. Los Angeles 90001	Owned	Office	40,000	None
1180	Rancho - Harriman Building 400 - Administration	7601E Imperial Hwy. Downey 90242	Owned	Office	39,682	None
3542	Fire - Administrative Headquarters Building	1320 N Eastern Ave. Los Angeles 90063	Owned	Office	39,015	None
A188	Sheriff - Internal Affairs Bureau/Risk Management	4900 S Eastern Ave. Commerce 90040	Leased	Office	38,936	None
5870	ISD - Eastern Ave Complex Telecom Branch Building	1110 N Eastern Ave. Los Angeles 90063	Owned	Service Building	37,742	None
5466	Public Library - Huntington Park Library	6518 Miles Ave. Huntington Park	Owned	Library	33,482	None
B460	DPSS - Gain Program Region VI Office	5460 Bandini Blvd. Bell 90201	Leased	Office	31,400	None
5395	Public Library - Montebello Library	1550W Beverly Blvd. Montebello 90640	Owned	Library	31,097	None

## FACILITY LOCATION POLICY ANALYSIS

**Proposed sublease renewal:** Lease amendment for the District Attorney office at 5900 South Eastern Avenue, Commerce – First Supervisorial District.

**A. Establish Service Function Category** – Regional and local public service function.

**B. Determination of the Service Area** – The proposed lease amendment will provide a lease extension for the existing DA program located within Service Planning Area 7.

**C. Apply Location Selection Criteria to Service Area Data**

- Need for proximity to service area and population: Continuing need for existing operation in the greater SPA 7 region in support of the DA Task Force.
- Need for proximity to existing County facilities: N/A
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The facility is located near the 5 and 710 freeways and local bus routes.
- Availability of affordable housing for County employees: N/A
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no alternative existing County buildings available to meet the Department's needs. This facility is a clandestine operation that has been in continuous use since April 2009.
- Compatibility with local land use plans: The site is currently zoned commercial and the current use as office space is consistent with the building's use and zoning and not in conflict with the goals and policies of the City of Commerce. A notification letter has been sent pursuant to Government Code Section 25351.
- Estimated acquisition/construction and ongoing operational costs: The amended monthly base rental cost of \$21,000 is subject to ongoing annual increases based on CPI capped at 3 percent for the extension term.

**D. Analyze results and identify location alternatives**

Based upon the space and service needs of the DA, CEO surveyed the service area and was unable to identify any other alternative sites in the surveyed area that could accommodate this same requirement.

Based upon a review of available industry data, CEO has established that the annual rental range for similar office space is between \$24 and \$30 per square foot per year on a full-service gross basis. Thus, the base annual rent of \$25.20 full-service gross for the proposed office space, including parking, represents a rate within the market range for the area. Attachment C shows all County-owned and leased facilities within the surrounding service area and there are no County-owned or leased facilities available for the program.

**E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria**

The existing facility provides proper accommodations for the DA's Task Force program within the indicated service area. The proposed amendment is in conformance with the Asset Management Principles, as outlined in Attachment A. The consolidation of services for the DA within the existing facility will continue to provide a central and appropriate location, which is consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012.

**AMENDMENT NO. 1 TO COUNTY LEASE NO. 76625  
5900 SOUTH EASTERN AVENUE, COMMERCE**

This Amendment No. 1 to Lease No. 76625 ("Amendment No. 1" or "Amendment") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2019 ("Effective Date"), by and between 3351 Drew Street, LLC, a California limited liability company, as to an undivided 47.00% interest and Commerce Plaza, LLC, a California limited liability company, as to an undivided 53.00% interest, as tenants in common, successor ownership entities, and Tenants in Common, hereinafter collectively referred to as "Landlord" and the COUNTY OF LOS ANGELES, a body corporate and politic, hereinafter referred to as "Tenant".

RECITALS:

WHEREAS, Landlord and Tenant entered into that certain lease dated July 1, 2008 ("Lease No. 76625", hereinafter referred to as the "Lease"), whereby Lessor leased to Lessee approximately 10,000 rentable square feet of space in the building at 5900 South Eastern Avenue, Commerce, California (the "Premises");

WHEREAS, the original ten (10) year Term of the Lease expired on April 8, 2019 and the Lease continues in Holdover, on a month-to-month basis;

WHEREAS, Landlord and Tenant desire to amend the Lease for the purpose of extending the Term of the Lease, adjusting the rent, and effectuating certain improvements; and

NOW, THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the rents, covenants and agreements hereinafter contained, Landlord and Tenant hereby covenant and agree to amend the Lease as follows:

1. EXTENSION OF THE TERM. Landlord and Tenant acknowledge that the Tenant's original term of the Lease for the Premises expired on April 8, 2019, and that the Lease is currently valid and in Holdover, as allowed under Section 7 of the Lease, on a month-to-month Term. Notwithstanding anything to the contrary in the Lease, Section 1.1(e) of the Lease is hereby amended to extend the Lease term for an additional seven (7) years commencing upon the Effective Date of this Amendment No. 1 (the "Extension Commencement Date") and terminating seven (7) years thereafter, ("Lease Expiration Date"), subject to earlier termination as provided in the Lease, as hereby amended. The period of time commencing on the Extension Commencement Date and terminating on the Lease Expiration Date shall be referred herein as the "Extension Term".

2. BASE RENT. As of the Extension Commencement Date, the Base Rent as set forth in Section 1.1(i) of the Lease is amended to Twenty-One Thousand Dollars and 00/100 (\$21,000.00) per month, i.e., \$2.10 per square foot per month. Basic Rent shall be subject to the following annual Rental Adjustment:

(a) Rent Adjustment. At the beginning of the 13th month of the Extension Term (the "Rent Adjustment Date") and on every anniversary of the Rent Adjustment Date thereafter, Base Rent shall be adjusted by applying the CPI Formula set forth below. The "Basic Index" shall be the Index published for the month the Extension Term commences.

(b) CPI Formula. The Basic Index means the Consumer Price Index for all Urban Consumers for the Los Angeles-Long Beach-Anaheim, CA area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means Base Rent multiplied by a fraction, the numerator being the Base Index published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Basic Index. If the Index is changed so that the Base Index differs from that used as of the Commencement Date of the Lease, the Base Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics.

If the Base Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

(c) Illustration of Formula. The formula for determining the new rent shall be as follows:

$$\frac{\text{New Base Index}}{\text{[Basic Index]}} \times \$21,000.00 \text{ (Base Rent)} = \text{New Monthly Base Rent}$$

(d) Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI Formula result in an annual increase more than three percent (3%) per year of the Base Rent of \$21,000.00 (i.e. not more than \$630.00 per month, per annual adjustment). In no event shall the monthly rent be adjusted by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year.

3. EARLY TERMINATION NOTICE DATE. Notwithstanding anything to the contrary in the Lease, Section 1.1(g) is hereby amended to replace "Commencement Date" with "Extension Commencement Date" and Section 1.1(j) is hereby amended so that the new early termination notice date shall be any time after the 60th month with 180 days prior written notice to Landlord by Tenant.

4. TENANT IMPROVEMENTS. Notwithstanding anything to the contrary in the Lease, Section 23, Tenant Improvements is replaced in its entirety with the following:

Landlord hereby agrees to complete certain Tenant Improvements at its sole cost and expense and Tenant shall not be required to reimburse Landlord for any costs associated with the following Scope of Work:

i. Landlord shall replace the carpet in the Premises with carpet tiles based on specifications provided by the Tenant and as agreed upon between Landlord and Tenant.

ii. Landlord shall paint the Premises in cooperation with the Tenant and its assigned representatives.

Lessor, within thirty (30) days after receipt of a duly executed copy of this Amendment No. 1, shall promptly engage in the scheduling and completion of the aforementioned Scope of Work.

The Tenant Improvements must be completed in accordance with all applicable City, County,



State and Federal building codes, regulations and ordinances required for beneficial occupancy. Any non-Tenant Improvement work, including construction and installation, that Landlord must undertake to obtain related necessary jurisdictional approvals, if applicable, shall be at Landlord's sole cost and expense.

5. CASP INSPECTION. The Lease shall be amended to insert as a new Section 35 the following paragraphs:

"CASP INSPECTION. In accordance with California Civil Code Section 1938, Landlord hereby states that the Premises and the Common Areas: [Check the appropriate box]

Have undergone inspection by a Certified Access Specialist (a "CASp") and have been determined to meet all applicable construction related accessibility standards pursuant to California Civil Code Section 55.53. Landlord shall provide Tenant with a copy of the CASp inspection report and a current disability access inspection certificate for the Premises within seven (7) days after the execution of this Lease.

Have undergone inspection by a Certified Access Specialist and have not been determined to meet all applicable construction related accessibility standards pursuant to California Civil Code Section 55.53. Landlord has provided Tenant with a copy of the CASp inspection report at least 48 hours prior to the execution of this Lease. A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

Have not undergone inspection by a Certified Access Specialist. A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

The foregoing statement is provided solely for the purpose of complying with California Civil Code Section 1938 and shall not affect the Landlord's and

Tenant's respective responsibilities for compliance with any design and construction related accessibility obligations as provided under this Lease.

Landlord agrees to indemnify and hold harmless Tenant from all damages, costs, and expenses, which result from a material breach of Landlord's representations contained in this Section 35."

6. All undefined terms when used herein shall have the same respective meanings as set forth in the Lease, as amended, unless expressly provided otherwise in this Amendment No. 1. Each of the signatories for the Landlord covenants, warrants and guarantees that it has the power and authority to execute this Amendment No. 1 upon the terms and conditions stated herein, and agrees to indemnify and hold harmless Tenant from all damages, costs, and expenses, which result from a breach of this representation.

7. Notwithstanding anything to the contrary herein, except as specifically amended or modified herein, each and every term, covenant, and condition of the Lease as amended hereby is ratified and shall remain in full force and effect. Landlord represents and warrants as of the date hereof that (a) no defenses or offsets exist to the enforcement of the Lease by Landlord, (b) neither Tenant nor Landlord is in default in the performance of the Lease or any provisions contained therein, (c) neither Tenant nor Landlord has committed any breach of the Lease, nor has any default occurred which, with the passage of time or the giving of notice or both, would constitute a default or a breach by Tenant or Landlord under the Lease. In the event of a conflict between the Lease and the prior amendments to the Lease and this Amendment No. 1, the terms of this Amendment No. 1 shall control.

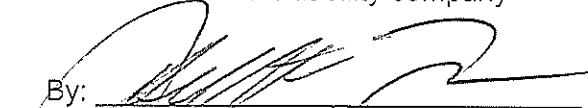
*[Signature Page Immediately Follows]*


IN WITNESS WHEREOF, the Landlord's duly authorized representative, and Tenant's duly authorized representative, have executed this Amendment No. 1 to Lease No. 76625 or caused it to be executed, on the Effective Date first above written.

**LANDLORD:**

3351 DREW STREET, LLC,  
a California limited liability company

COMMERCE PLAZA, LLC,  
a California limited liability company

By:   
Name: Kenneth Leon  
Its: Manager

By:   
Name: Kenneth Leon  
Its: Authorized signer

**TENANT:**

COUNTY OF LOS ANGELES,  
a body politic and corporate

Sachi A. Hamai

By: \_\_\_\_\_  
David P. Howard  
Assistant Chief Executive Officer

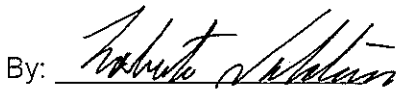
**ATTEST:**

Dean C. Logan  
Executive Officer-Clerk  
of the Board of Supervisors

By: \_\_\_\_\_  
Deputy

**APPROVED AS TO FORM:**

MARY C. WICKHAM  
County Counsel

By:   
Deputy

**BOARD LETTER/MEMO – FACT SHEET  
OPERATIONS CLUSTER**

<b>OPS CLUSTER AGENDA REVIEW DATE</b>	9/26/2019	
<b>BOARD MEETING</b>	10/15/2019	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	2 <sup>nd</sup>	
<b>DEPARTMENT</b>	Health Services (DHS)	
<b>SUBJECT</b>	Approval of lease terms of existing lease pertaining to the Department of Health Services to rectify inconsistent Board letter.	
<b>PROGRAM</b>	DHS – Housing for Health	
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
<b>DEADLINES/ TIME CONSTRAINTS</b>	DHS – Landlord has completed TI work as of September 14, 2017 and is waiting to be reimbursed.	
<b>COST &amp; FUNDING</b>	Total cost: DHS – The aggregate lease expense over the eight-year term for the Expansion Space and the original premises is \$9,897,791.	Funding source: DHS - TI costs and interest are 100 percent offset by Measure H, Office of Diversion and Re-Entry, and Whole Person Care Funds.
	TERMS (if applicable):  DHS - The \$560,462 reimbursable TI allowance expended for DHS's Expansion Space will be paid in a lump-sum payment plus interest accrued at 8 percent per annum, i.e., \$3,737 monthly interest only payments.	
	Explanation: Funding for the TI costs will be included in the Fiscal Year 2019-2020 Rent Expense budget and will be billed back to DHS.	
<b>PURPOSE OF REQUEST</b>	Board authority is needed to reimburse the Landlord for the TI costs in accordance with the lease terms and conditions. .	
<b>BACKGROUND (include internal/external issues that may exist)</b>	The October 4, 2016 Board letter provides for \$69,026 Additional TI Allowance reimbursement in connection with DHS's Expansion Space. However, Section 34C of the accompanying lease provides for Additional Tenant Improvement Allowance of up to \$650,000. Based on the lease agreement, the landlord provided \$560,462 in reimbursable TI. Additional Board authority is needed to reimburse Landlord for the actual TI costs expended in reliance on the signed lease since the Board Letter and Lease do not match, and services have been provided, retroactive approval is requested. The reimbursable TI allowance expended will be paid in a lump-sum payment plus interest accruing at 8 percent per annum, the interest stated in the lease (which is 3,737 monthly interest only payments). The rental and related costs are 100 percent net County cost.	
<b>DEPARTMENTAL AND OTHER CONTACTS</b>	Name, Title, Phone # & Email:  Michael Navarro CEO- Real Estate Division 213-974-4364 Mnavarro@ceo.lacounty.gov	



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"*

Board of Supervisors  
HILDA L. SOLIS  
First District

MARK RIDLEY-THOMAS  
Second District

SHEILA KUEHL  
Third District

JANICE HAHN  
Fourth District

KATHRYN BARGER  
Fifth District

October 15, 2019

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:

**APPROVAL OF PAYMENT OF THE TENANT IMPROVEMENT EXPENSES  
DEPARTMENT OF HEALTH SERVICES (LEASE NO. 78537)  
208 EAST 6TH STREET, LOS ANGELES  
(3 VOTES)**

**SUBJECT**

Approval of lease terms of an existing lease pertaining to the Department of Health Services, to rectify inconsistencies between the Board letter and the lease.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed approval of lease terms is exempt from the California Environmental Quality Act (CEQA), for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to reimburse Samko, LLC, not to exceed \$650,000 in Tenant Improvement (TI) costs, which includes accrued interest for the Department of Health Services' (DHS) lease of 208 east 6th Street, Los Angeles (Lease No. 78537). The TI costs will be paid to Landlord in a lump sum payment, plus interest accruing at 8 percent per annum. The TI costs and interest are 100 percent offset by Measure H, Office of Diversion and Re-Entry, and Whole Person Care Funds.
3. Authorize the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the reimbursement payments, and authorize and direct the Chief Executive Officer and the Director of DHS, or their designees, to take actions necessary and appropriate to implement the authorizations provided above.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Board approved an eight-year lease on October 4, 2016, providing 24,234 square feet of office space for DHS and the Department of Mental Health. On April 11, 2017, the County exercised its right under the lease, to expand the office space from 24,234 square feet to 29,389 square feet, with the addition of 5,155 square feet of office space (Expansion Space), for DHS's Housing for Health staff. The adopted Board Letter for lease of the original premises, and the Expansion Space option, authorized the County to make a \$69,026 additional TI reimbursement payment from County to the Landlord for the Expansion Space. However, the lease document that was attached to the Board Letter errantly included a different amount. The lease included a \$711,230 TI budget for the Expansion Space, comprised of a \$61,230 base allowance paid by the Landlord, and a \$650,000 additional TI cost paid by County. In reliance on the lease, the Landlord expended \$621,692, including \$61,230 in base allowance costs and \$560,462 in reimbursable TI costs.

Because the Board Letter did not authorize the full amount of the TI costs, additional authority is requested in the amount of \$491,436, for a total authorized TI budget of \$560,462 to pay for the balance of the TI expenses, plus interest.

Approval of the recommended actions will find that this action is exempt from CEQA.

### **FISCAL IMPACT/FINANCING**

The \$560,462 reimbursable TI allowance expended for DHS's Expansion Space will be paid in a lump-sum payment plus interest accruing at 8 percent per annum, the interest stated in the lease. The interest only amount is \$3,737 monthly which continues to accrue until Board authority is obtained and payment is made.

The aggregate lease expense for the DHS Expansion Space including the original premises over the eight-year term would be \$9,909,002 comprised of the \$7,683,304 Base Rent, \$650,000 low-voltage costs, \$929,285 existing TI costs, and the \$646,413 Expansion Space TI costs. Attachment A provides an overview of the lease costs per the terms of the existing lease.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The TI work for the Expansion space has been completed by Landlord, per the terms of the lease, and reimbursement to Landlord is due. Approval from the Board is needed to reimburse the Landlord for the TI costs, plus accrued interest.

### **ENVIRONMENTAL DOCUMENTATION**

The Chief Executive Office (CEO) has concluded that this action is exempt from CEQA, as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, and Section 15301 of the State CEQA Guidelines (Existing Facilities). This action has no significant effect on the environment and meets the criteria set forth in Section 15301 of the State CEQA Guidelines (Guidelines) and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G.

**CONTRACTING PROCESS**

Since the Landlord has already provided services based on the signed lease, the CEO will make a presentation to the Retroactive Contract Review Committee for disposition and approval of corrective actions.

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

The lease continues to provide the necessary office space for the County requirements and DHS concurs.

**CONCLUSION**

It is requested that the Executive Office, Board of Supervisors return two certified copies of the Minute Order and the adopted stamped Board letter to the CEO, Real Estate Division, 320 West Temple Street, 7th Floor, Los Angeles, CA 90012.

Respectfully submitted,

SAH:FAD:DPH:DL  
JLC:MN:MAC:gw

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor Controller  
Health Agency  
Health Services

# OVERVIEW OF THE LEASE COSTS

208 East 6th Street  
Department of Health Services

<b>Original Leased Area</b>	24,234	
<b>Leased Area incl. Expansion</b>	29,389	
<b>Term</b>	96	
<b>Adjustment</b>	3%	
	<b>Cost Per RSF Per Month (\$)</b>	<b>Cost Per RSF Per Year (\$)</b>
	\$2.45	\$29.40

	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year	8th Year	Total 8 Year Rental Costs
<b>Annual Base Rent Annual Cost <sup>1</sup></b>	864,037	889,958	916,656	944,156	972,481	1,001,655	1,031,705	1,062,656	7,683,304
<b>Low Voltage Costs <sup>2</sup></b>	650,000	0	0	0	0	0	0	0	650,000
<b>Existing Space Tenant Improvement Costs</b>	185,857	185,857	185,857	185,857	185,857	0	0	0	929,285
<b>Expansion Space Tenant Improvement Costs <sup>3</sup></b>	3,737	44,844	597,832 <sup>4</sup>	0	0	0	0	0	646,413
<b>Total Annual Rental Costs</b>	1,703,631	1,120,659	1,700,345	1,130,013	1,158,338	1,001,655	1,031,705	1,062,656	9,909,002

<sup>1</sup> Included fixed 3 percent annual increased for base rent only.

<sup>2</sup> Low-voltage costs are to be paid lump sum at a cost not to exceed \$650,000.

<sup>3</sup> TI reimbursement for the expansion space are interest only payments on principal \$560,462. Monthly payments in the amount of \$3,737 will be made between the period of 12/17 - 10/19 totalling \$85,951.

<sup>4</sup> Based on the \$560,462 lump sum payment of the TI Allowance balance and the \$37,370 10-month interest payment, assuming Board approval is obtained in October 2019.



**BOARD LETTER/MEMO – FACT SHEET  
OPERATIONS CLUSTER**

<b>OPS CLUSTER AGENDA REVIEW DATE</b>	9/26/2019	
<b>BOARD MEETING</b>	10/15/2019	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	1 <sup>st</sup>	
<b>DEPARTMENT</b>	Board of Supervisors – 1 <sup>st</sup> Supervisorial District	
<b>SUBJECT</b>	Approve a proposed amendment for the continual use of 3,452 square feet of existing office space and 4 on-site parking spaces at 2677 Zoe Avenue, Huntington Park.	
<b>PROGRAM</b>	First Supervisorial District Field Office	
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
<b>DEADLINES/ TIME CONSTRAINTS</b>	The existing sublease is currently on a month to month holdover at 2677 Zoe Avenue, Huntington Park, CA.	
<b>COST &amp; FUNDING</b>	Total cost: \$61,946 rental costs over 12 months	Funding source: 100 percent net County Cost.
	TERMS (if applicable): The base rent is subject to annual 5 percent increases per the terms of the Master Lease. The Sublease term extends automatically upon Sublessor exercising the three 1-year options provided in the Master Lease.	
	Explanation: Funding for the proposed amendment will be included in the Fiscal Year 2019-2020 Rent Expense budget and will be billed back to the First District Board Office.	
<b>PURPOSE OF REQUEST</b>	Approval of the recommended actions will authorize and continue to adequately provide the necessary office space for First District Supervisorial Field Office.	
<b>BACKGROUND (include internal/external issues that may exist)</b>	The proposed amendment will provide this Board office continual use of 3,452 square feet of existing office space and for 4 parking spaces for the field office strategically located in the Southeast region of the County and the First Supervisorial District.	
<b>DEPARTMENTAL AND OTHER CONTACTS</b>	Name, Title, Phone # & Email:  Michael Navarro CEO- Real Estate Division 213-974-4364 Mnavarro@ceo.lacounty.gov	



SACHI A. HAMAI  
Chief Executive Officer

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First District

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Second District

SHEILA KUEHL  
Third District

JANICE HAHN  
Fourth District

KATHRYN BARGER  
Fifth District

October 15, 2019

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:

**LEASE AMENDMENT  
BOARD OF SUPERVISORS  
2677 ZOE AVENUE, SECOND FLOOR, HUNTINGTON PARK  
(FIRST DISTRICT)  
(3 VOTES)**

**SUBJECT**

Approval of an amendment to an existing sublease that will provide the First Supervisorial District continued use of 3,452 square feet of office space and four on-site parking spaces for a field office.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed amendment is exempt from the California Environmental Quality Act (CEQA), for the reasons stated in this Board letter and in the record of the project.
2. Authorize the Chief Executive Officer, or her designee, to execute the proposed amendment extending the term to July 31, 2020, with three one-year options to extend, with Hub Cities Consortium (Sublessor), for 3,452 square feet of office space including four on-site parking spaces at 2677 Zoe Avenue, Huntington Park, at an annual first year rental cost not to exceed \$111,762. The rental costs are 100 percent net County cost.
3. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed amendment, and authorize the Chief Executive Officer, or her designee, to take actions necessary and appropriate to implement the proposed amendment, including, without limitation, exercising any options to extend.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The First Supervisorial District (First District) Field Office occupied 3,452 square feet of office space at 2677 Zoe Avenue, Huntington Park, as a sublessee on a gratis basis from September 2015 through September 19, 2018. Because the Sublessor was no longer able to provide the space on a gratis basis, effective September 20, 2018, a new seven-month Sublease was executed, under administrative authority, to match the remaining term of the Master Lease. The term of the Master Lease currently extends through July 31, 2020, and the Master Lease provides the Sublessor with three one-year options to extend the Master Lease.

The proposed amendment would extend the term of the existing Sublease to July 31, 2020, and then renew automatically, should the Sublessor exercise its options under the Master Lease, for up to an additional three years. In addition, the amendment adds the provision of security services provided by the Sublessor. The current expectation is that only one security guard will be needed; however, this may be adjusted depending on the need. The proposed amendment would exceed administrative authority provided to the Chief Executive Officer due to the length of the lease, and the costs with the security component.

Approval of the recommended actions will find that the proposed amendment is exempt from CEQA and will allow the Board Office to continue operating at the subject facility.

## **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan Goal 3 of “Realize Tomorrow’s Government Today” directs that our increasingly dynamic, and complex environment, challenges our collective abilities to respond to public needs and expectations. We want to be an innovative, flexible, effective, and transparent partner focused on advancing the common good. The proposed amendment supports this goal with a facility that provides proper accommodations by continuing to provide office space and services to constituents in a centralized location.

The proposed amendment is in conformance with the Asset Management Principles, as outlined in Attachment A.

## **FISCAL IMPACT/FINANCING**

The proposed amendment will have the following financial impact:

- The rent until July 31, 2020, will be \$9,313 per month comprised of \$5,162 monthly base rent and an estimated \$4,151 per month for one security guard. Should the term automatically renew, the first full year would cost \$111,762, comprised of \$61,946 annual base rent and the estimated \$49,816 annual security cost. Attachment B provides an overview of the proposed rental costs.
- A full-service Sublease whereby the Sublessor is responsible for all repair and maintenance costs of the facility, including utilities and janitorial costs.
- The County can request security service(s) from Sublessor at an estimated additional cost of \$49,816 annually for one armed guard, and shall reimburse Sublessor the costs of the security service(s). The cost of security service(s) will fluctuate depending on the hours of service requested, the level of service requested, and is subject to wage and operational cost increases.

- The base rent is subject to annual 5 percent rent increases per the terms of the Master Lease, should Sublessor exercise each of the three one-year options to extend the Master Lease term.

Sufficient funding to cover the proposed rental for the first year for the proposed amendment is included in the Fiscal Year (FY) 2019-20 Rent Expense budget and will be billed back to the Executive Office. The Executive Office has sufficient funding in their FY 2019-20 operating budget to cover these costs for the same period. Beginning in FY 2020-21, ongoing funding for the proposed amendment will be part of the budget for the Executive Office. These costs for the Executive Office are 100 percent net County cost.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

In addition to the terms previously stated, the proposed amendment also contains the following provision:

- The Sublease does not provide a right to terminate the Sublease early.

The Chief Executive Office (CEO), conducted a survey within the project area to determine the availability of comparable office space options. The leasing agent was unable to identify any sites in the surveyed area that could accommodate this requirement. Based upon a review of available industry data, it was established that the annual rental range for similar space is between \$12 and \$47 per square foot per year. In comparison, the base rent of \$19 per square foot per year for the proposed sublease agreement is within the market range for the area.

Attachment C shows County-owned or leased facilities in the proximity of the service area, and there are no suitable County-owned or leased facilities available for the program.

The Department of Public Works inspected this facility on October 9, 2007, and found it suitable for the County's occupancy. A notification letter has been sent pursuant to Government Code Section 25351. County Counsel has reviewed the attached proposed sublease and approved it as to form.

The proposed amendment will continue to provide an appropriate location for the program, which is consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012, as outlined in Attachment D.

### **ENVIRONMENTAL DOCUMENTATION**

The proposed amendment is exempt from CEQA. The proposed amendment, which renews existing sublease space with no tenant improvements within an existing building, is within a class of projects that have been determined not to have a significant effect on the environment and which meets the criteria set forth in Section 15301 of the State CEQA Guidelines (Guidelines) and Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, based on the proposed amendment, it will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code Section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

Upon the Board's approval of the recommended actions, a Notice of Exemption will be filed with the Registrar-Recorder/County Clerk in accordance with Section 21152 of the California Public Resources Code.

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

The proposed amendment will continue to adequately provide the necessary office space for this County requirement. The Executive Office concurs with the proposed recommendation.

**CONCLUSION**

It is requested that the Executive Office, Board of Supervisors, return two certified copies of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division, at 320 West Temple Street, 7th Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

SAH:FAD:DPH:DL  
JLC:MN:MAC:gw

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller

ATTACHMENT A

**BOARD OF SUPERVISORS  
2677 ZOE AVENUE, HUNTINGTON PARK  
Asset Management Principles Compliance Form<sup>1</sup>**

1. <u>Occupancy</u>		Yes	No	N/A
A	Does sublease consolidate administrative functions?			X
B	Does sublease co-locate with other functions to better serve clients?			X
C	Does this sublease centralize business support functions?			X
D	Does this sublease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>Ratio is approximately 863 square feet per person per the existing sublease which includes a conference room, and common area inclusive of shared training rooms.</b>		X	
E	Does sublease meet the 4/1000 sq. ft. parking ratio guideline?			X
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed sublease location?	X		
2. <u>Capital</u>				
A	Is it a substantial net County cost (NCC) program? 100% NCC	X		
B	Is this a long-term County program?	X		
C	If yes to 2 A or B; is it a capital sublease or an operating sublease with an option to buy?			
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is sublease being recommended over occupancy in County-owned space? <b>Alternate space is not available.</b>		X	
F	Is Building Description Report attached as Attachment C?			
G	Was build-to-suit or capital project considered? <b>The County currently occupies the facility and a capital project was not considered.</b>			X
3. <u>Portfolio Management</u>				
A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal sublease, was co-location with other County departments considered? <b>The Board Office prefers to remain in the existing premises which is centrally located within the First Supervisorial District.</b>			X
D	Why was this program not co-located?			
	1. ___ The program clientele requires a "stand alone" facility.			
	2. <u>X</u> No suitable County occupied properties in project area.			
	3. ___ No County-owned facilities available for the project.			
	4. ___ Could not get City clearance or approval.			
	5. ___ The Program is being co-located.			
E	Is sublease a full-service sublease?	X		
F	Has growth projection been considered in space request?			X
G	Has the Dept. of Public Works completed seismic review/approval? <sup>1</sup>	X		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98				
<sup>2</sup> If not, why not?				

**COMPARISON OF THE EXISTING LEASE AND THE PROPOSED AMENDMENT LEASE COSTS**

2677 Zoe Avenue  
Board Office

	<b>Existing Lease</b>	<b>Proposed Amendment</b>	<b>Change</b>
<b>Area (Square Feet)</b>	3,452 sq. ft.	3,452 sq. ft.	None
<b>Term (years)</b>	Initial Term <sup>1</sup> (9/20/18 - 4/30/19)	1-year	+ 5 Months
<b>Monthly/Annual Rent Per Sq.Ft.</b>	\$1.49/\$17.95 per sq. ft.	\$1.49/\$17.95 per sq. ft.	None
<b>Security Costs</b>	None	\$49,816	\$49,816 increase
<b>Total Annual Sublease Costs Payable to Landlord</b>	\$61,946	\$61,946	None
<b>Rental Rate Adjustment <sup>3</sup></b>	Annual 5% increases	Annual 5% increases	None
<b>Options</b>	None	Three 1-year automatic options	+ Three Years

<sup>1</sup> The actual amount of the initial term (7 months) is \$36,135.

	<b>Initial Term</b> (9/20/18 - 4/30/19)	<b>Extended Term <sup>2</sup></b> 1st Full Year (8/1/19 - 8/1/2020)
<b>Annual Rent Cost</b>	36,135	61,946
<b>Security Costs</b>	0	49,816
<b>Total Annual Rental Costs</b>	36,135	111,762

<sup>1</sup> Per the sublease document, the cost per sq. ft. is \$1.495. Due to rounding, the amount shown above is \$1.50.

<sup>2</sup> Based on the extended term commencing August 1, 2019, and terminating July 31, 2020. The rent is subject to fixed 5 percent annual rent increases including during any option terms exercised by Sublessor.

<sup>3</sup> Based on the initial 7-month term (remaining term of the master lease), which commenced on September 20, 2018.

<sup>4</sup> Security cost is estimated depending on the level of service provided.

## BOARD OFFICE

**SPACE SEARCH – 5 MILE RADIUS  
FROM 2677 ZOE AVENUE, HUNTINGTON PARK]**

Property ID	Name	Address	SD	Ownership Type	Property Use	Gross SqFt	Net SQFT	Vacant SQFT
4533	East Services Agency - Office Building	265 Cloverleaf Dr Baldwin Park 91706	1	Owned	Office	1,440	1,055	NONE
A320	Mental Health - Wellness Center	2677 Zoe Ave Huntington Park 90255	1	Leased	Office	2,574	2,445	NONE
5337	PW Sewer - East Yard Electro - Mechanic Office	160 E Longden Ave Irwindale 91706	1	Owned	Office	1,468		NONE
A588	Sheriff's AB 109 Parole Compliance Team	301 S Central Ave Los Angeles 90013	1	Leased	Office	3,100	2,945	NONE
A563	Alternate Public Defender - Pomona Office	101 W Mission Blvd Pomona 91766	1	Leased	Office	2,744	2,607	NONE
5699	Med Center - Chaplain's Center	1200 N State St. Los Angeles 90033	1	Owned	Office	1,940	1,385	NONE
10227	Animal Control #4 - Modular Office Trailer	4275 N Elton Ave Baldwin Park 91706	1	Owned	Office	1,621		NONE
4272	PW - City of Industry/La Puente District Office	16005 E Central Ave La Puente 91744	1	Owned	Office	3,283	1,911	NONE
4231	Biscailuz - Training/Intelligence Facility	1060 N Eastern Ave Los Angeles 90063	1	Owned	Office	1,660	1,372	NONE
4148	Animal Control #4 - Administration Building	4275 N Elton Ave Baldwin Park 91706	1	Owned	Office	1,621	806	NONE
0837	Med Center - Personnel Office Building	1200 N State St. Los Angeles 90033	1	Owned	Office	2,980	1,761	NONE
0838	Med Center - Quality Assurance Utilization Re	1200 N State St. Los Angeles 90033	1	Owned	Office	2,980	2,341	NONE
A324	Fire - Employee Relations Office	1255 Corporate Center Dr Monterey Park 91754	1	Leased	Office	3,079	2,925	NONE
T556	Med Center - Patient Financial Services Trail	1200 N State St. Los Angeles 90033	1	Owned	Office	2,973	2,461	NONE
T541	Med Center - Home Care Trailer T - 4	1200 N State St. Los Angeles 90033	1	Owned	Office	1,376	1,223	NONE
T547	Med Center - Patient Financial Services T - 1	1240 N Mission Rd Los Angeles 90033	1	Owned	Office	2,588	1,959	NONE
X294	PW Central Yard - Shop Office Building	2275 Alcazar St. Los Angeles 90033	1	Owned	Office	1,400	1,260	NONE
A381	PW - Incorporated City Office (Commerce)	2535 Commerce Way City Of Commerce 90040	1	Gratis Use	Office	2,170	2,170	NONE
1491	Crematory Office/Residence	3301 E 1st St. Los Angeles 90063	1	Owned	Office	1,517	1,106	NONE
F322	PW Flood - Imperial Yard Office	5525 E Imperial Hwy South Gate 90280	1	Flood Control District	Office	1,440	1,296	NONE
F325	PW Flood - Imperial Yard Office	5525 E Imperial Hwy South Gate 90280	1	Flood Control District	Office	2,600	2,340	NONE
T039	Sheriff - Eastern Complex Fleet Services Office	1104 N Eastern Ave Los Angeles 90063	1	Owned	Office	1,548	1,428	NONE



## FACILITY LOCATION POLICY ANALYSIS

**Proposed sublease renewal:** Sublease agreement for the Board Office at 2677 Zoe Avenue, Huntington Park – First District.

**A. Establish Service Function Category** – Regional and local public service function.

**B. Determination of the Service Area** – The city of Huntington Park and surrounding cities within the First Supervisorial District.

**C. Apply Location Selection Criteria to Service Area Data**

- Need for proximity to service area and population: The existing field office is located with the Southeast region of the First Supervisorial District. This location continues to meet the service area criteria and remains in an appropriate area
- Need for proximity to existing County facilities: N/A.
- Need for proximity to Los Angeles Civic Center: N/A.
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services.
- Availability of affordable housing for County employees: N/A.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: The field office has been at this location since September 2015.
- Compatibility with local land use plans: The Department of Public Works inspected the facility and found it suitable for County occupancy. A notification letter has been sent pursuant to Government Code Section 25351.
- Estimated acquisition/construction and ongoing operational costs: The initial annual maximum base rent is \$64,785. Rental costs for the Board Office are 100 percent net County Costs.

**D. Analyze results and identify location alternatives**

Based upon the space and service needs of the Board Office, staff surveyed the immediate area to determine the availability of comparable and more economical site alternatives.

Based upon a review of available industry data, staff has established that the annual rental range for similar space is between \$12 and \$47 per square foot per year on a full-service gross basis, (i.e., excluding parking). Therefore, the base annual rent of \$19 per square foot per year full-service gross, including parking and janitorial service, for the proposed sublease renewal, represents a rate within the market range for the area.

**E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria**

The renewal of the subject sublease agreement for the Board Office will provide continual use of adequate office space for the existing field office, which is consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012.

**COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE**

**FIRST AMENDMENT  
TO  
SUBLEASE AGREEMENT**

**HUB CITIES CONSORTIUM - SUBLESSOR  
COUNTY OF LOS ANGELES - SUBLESSEE**

**2677 ZOE AVENUE, SECOND FLOOR  
HUNTINGTON PARK, CALIFORNIA**

## FIRST AMENDMENT TO SUBLEASE AGREEMENT

This FIRST AMENDMENT TO SUBLEASE ("Amendment") is entered into as of this \_\_\_\_ day of \_\_\_\_\_ 2019 ("Effective Date"), by and between HUB CITIES CONSORTIUM, a joint powers authority formed under California Government Code Sections 6500 et seq. ("Sublessor") and the COUNTY OF LOS ANGELES, a body corporate and politic ("Sublessee" or "County").

### RECITALS

A. WHEREAS, Sublessor and Sublessee entered into that certain sublease agreement ("Sublease") with a commencement date of September 20, 2018 and an expiration date of April 30, 2019.

B. WHEREAS, pursuant to the Sublease, Sublessor has leased to Sublessee space currently containing approximately 3,452 rentable/gross square feet ("Premises") described as the entire second floor of the building located at 2677 Zoe Avenue, Huntington Park, California (the "Building").

C. WHEREAS, it is understood and recognized that the Sublease constitutes a sublease to that commercial lease entitled "Standard Multi-Tenant Office Lease - Gross AIR Commercial Real Estate Association" by and between AMIDI PARTNERS, LLC (as "Lessor") and HUB CITIES CONSORTIUM (as "Lessee") entered into between HUB CITIES CONSORTIUM and Sublessor dated as of February 25, 2011 and as subsequently amended (the "Master Lease").

D. WHEREAS, the rights of Sublessee is subject in all respects to the terms of, and the rights of, Sublessor as set forth in the, the Master Lease.

E. WHEREAS, Sublessor and Sublessee wishes to extend the term of the Sublease to terminate with the term of the Master Lease, as amended.

F. WHEREAS, Sublessee wishes to have the option to request security service(s) from Sublessor and shall reimburse Sublessor for said security service(s).

NOW, THEREFORE, Sublessor and Sublessee hereby agree to amend the Sublease as follows:

1. Article 4 of the Sublease shall be amended to include a new paragraph "4.5." that shall read as follows:

"4.5. Extension of Term

Notwithstanding the foregoing, or any other language to the contrary contained herein, the Term of the Sublease shall be extended automatically by Sublessor and Sublessee upon Sublessor exercising the "Option to Extend", as "Option to Extend" is defined in Section 3 of the Sixth Amendment to Master Lease. The Term of the Sublease shall be identical to the term of each Option to Extend, and shall expired upon the expiration or termination of the Master Lease."

2. Section 11.1 of the Sublease shall be amended to include a new paragraph "h." that shall read as follows:

"h. Security Service

At Sublessee's election, Sublessor shall be required to provide security service(s) for the Building, during Normal Working Hours, which security service(s) shall require written approval by Sublessee prior to their enactment by Sublessor. If approved by Sublessee, the Sublessor will provide limited security service(s) for the Building consistent with customary practices in comparable first class office buildings in the local area, which may include electronic card key access (including after-hours access to the Building by means of electronic card key), roving personnel or surveillance devices. Security personnel are provided solely to monitor access and deter criminal activity. Sublessor shall not be liable to Sublessee or any third party for any breach of security or any losses due to theft, burglary, battery or for damage done or injury inflicted by persons in or on the Building. Sublessee shall pay to Sublessor, its proportionate share for security service(s) costs per month, as part of the monthly Base Rent."

3. Inconsistencies. In the case of any inconsistency between the provisions of the Sublease and this Amendment, the provisions of this Amendment shall govern and control.

4. Capitalized Terms. The capitalized terms used in this Amendment shall have the same definitions as set forth in the Sublease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.

5. Brokers. Sublessee hereby represents to Sublessor that Sublessee has dealt with no broker in connection with this Amendment. Sublessee agrees to indemnify and hold Sublessor, its members, principals, beneficiaries, partners, officers, directors, employees, mortgagee(s) and agents, and the respective principals and members of any such agents harmless from all claims of any brokers claiming to have represented Sublessee in connection with this Amendment. Sublessor hereby represents to Sublessee that Sublessor has dealt with no broker in connection with this Amendment. Sublessor agrees to indemnify and hold Sublessee harmless from all claims of any brokers claiming to have represented Sublessor in connection with this Amendment.

6. Captions. The captions of this Amendment are for convenience purposes only, and shall have no effect on its construction or interpretation.

7. Governing Law/Venue. This Amendment shall be construed and interpreted in accordance with the laws of the State of California.

8. Time of Essence. Time is of the essence with respect to each provision of this Amendment.

9. Successors and Assigns. This Amendment shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

10. Modification. This Amendment cannot be amended or modified except by a written agreement, executed by each of the parties hereto.

11. Waiver. No consent or waiver, express or implied, by either party to this Amendment or of any breach or default by the other in the performance of any obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default by such party hereunder. Failure on the part of any party hereto to complain of any act or failure to act of the other party or to declare the other party in default hereunder, irrespective of how long such failure continues, shall not constitute a waiver of the rights of such party hereunder.

12. Severability. The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid or illegal.

13. Interpretation. The terms of this Amendment shall be interpreted neutrally regardless of which party prepared this Amendment or the language in question.

14. Entire Agreement. This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements.

15. Full Force and Effect. Except as herein modified or amended, the provisions, conditions and terms of the Sublease shall remain unchanged and in full force and effect.

*[Signature Page Follows]*

IN WITNESS WHEREOF, Sublessor and Sublessee have executed this Amendment as of the Effective Date.

SUBLESSOR:

HUB CITIES CONSORTIUM,  
a California Joint Powers Agency

By:   
Name: Jose Martinez  
Its: Executive Director

SUBLESSEE:

COUNTY OF LOS ANGELES, a body  
corporate and politic

SACHI A. HAMAI  
Chief Executive Officer

By: \_\_\_\_\_

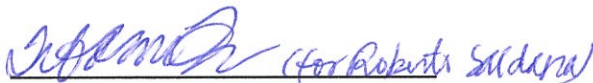
ATTEST:

DEAN C. LOGAN  
Recorder/County Clerk  
Of the County of Los Angeles

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

Mary C. Wickham  
County Counsel

By:   
Deputy