



County of Los Angeles
**CHIEF EXECUTIVE OFFICE
OPERATIONS CLUSTER**

SACHI A. HAMAI
Chief Executive Officer

DATE: November 14, 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:
APPROVAL OF A SOLE SOURCE AGREEMENT WITH PHILLIPS NORTH AMERICA FOR MAINTENANCE AND REPAIR SERVICES OF MEDICAL EQUIPMENT FOR DEPARTMENT OF HEALTH SERVICES AND DEPARTMENT OF MEDICAL EXAMINER-CORONER
DHS – Christopher Kinney, Administrative Services Manager III
MEC – Silvia Gonzalez, Administrative Services Manager II
 - B) Board Letter:
EXERCISE FIVE-YEAR OPTION TO EXTEND TERM-LEASE NO. 70586 MUSEUM OF NATURAL HISTORY
CEO/RE – Michael Navarro, Chief Program Specialist
 - C) Board Letter:
APPROVE SEVEN YEAR LEASE AMENDMENT FOR USE OF OFFICE AND PARKING SPACE BY THE DISTRICT ATTORNEY
CEO/RE – Michael Navarro, Chief Program Specialist
4. **PRESENTATION/DISCUSSION ITEMS:**
 - A) HIP Q3 PRESENTATION
DHR – Pamela Missett, Chief Deputy

CONTINUED ON PAGE 2

5. **Adjournment**

FUTURE AGENDA TOPICS

CALENDAR LOOKAHEAD:

(5 minutes)

- A. Board Letter:
COUNTYWIDE CLASSIFICATION ACTIONS TO IMPLEMENT THE
12/10/19 GENERAL RECLASS BOARD LETTER
CEO – Irish Wong, Principal Analyst

- B. Board Letter:
COUNTYWIDE CLASSIFICATION ACTIONS TO IMPLEMENT THE
12/10/19 PROBATION DEPARTMENT RECLASS BOARD LETTER
CEO – Irish Wong, Principal Analyst

- C. Board Letter:
DATAWORKS FOR CRIMINAL BOOKING (CBS)
LASD – Alex Villanueva, Sheriff

- D. Board Letter:
BA ADJUSTMENT OF ITF FUNDS FOR CMS SOW DEVELOPMENT
MEC – Dr. Jonathan R. Lucas, Chief Medical Examiner-Coroner

- E. Board Letter:
WHITTIER NARROWS EQUESTRIAN CENTER REFURBISHMENT
CEO/CP – Rogelio Gamino, Analyst
DPW – Gil Garcia, Principal Engineer

- F. Board Letter:
LAVERNE ENHANCED INFRASTRUCTURE FINANCING DISTRICT
CEO/AFFORDABLE HOUSING – Robert Moran, Principal Analyst

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

OPS CLUSTER AGENDA REVIEW DATE	11/14/2019	
BOARD MEETING	12/3/2019	
SUPERVISORIAL DISTRICT AFFECTED	All Districts	
DEPARTMENT	Department of Health Services (DHS)	
SUBJECT	Approval of a successor sole source agreement with Philips North America LLC (Philips) for maintenance and repair services of medical equipment for the Department of Health Services and Department of Medical Examiner-Coroner (MEC).	
PROGRAM		
SOLE SOURCE CONTRACT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain why: Philips is the sole provider of maintenance services and parts for its proprietary a technology and firmware. Only Philips technicians are certified to provide necessary maintenance and repair services for proprietary technology in its equipment to meet requirements by The Joint Commission, as Philips does not provide training to third party vendors.	
DEADLINES/ TIME CONSTRAINTS	Current Agreement expires on December 31, 2019	
COST & FUNDING	Total cost: \$52,266,232 (\$5,226,623 annually) + \$20,906,493 (potential increase under 40% delegated authority)	Funding source: Fiscal Year 2019-20 Final Budget
	TERMS (if applicable): January 1, 2020 through December 31, 2029	
	Explanation:	
PURPOSE OF REQUEST	Execute a successor sole source Agreement with Philips for ten years to provide maintenance and repair services for various medical equipment at DHS facilities and MEC.	
BACKGROUND (include internal/external issues that may exist)	Philips provides maintenance and repair services for 1,700 pieces of DHS medical equipment and related software, including equipment for patient monitoring, radiology, imaging, cardiology, and two (2) X-ray machines for MEC. DHS has standardized Philips patient monitors across the enterprise, and they are used throughout DHS facilities to enhance patient care and improve clinical performances by identifying patients in need, supporting caregivers on the go, consolidating patient information, and providing ongoing support for staff. Philips radiology and imaging equipment such as X-ray, ultrasound, and position emission tomography/computed tomography scanners are also used in various DHS facilities to examine, diagnose, and assist with medical procedures. Philips' software maintenance services include implementation of software updates and remote technical support around the clock.	
DEPARTMENTAL AND OTHER CONTACTS	Name, Title, Phone # & Email: <ul style="list-style-type: none"> • DHS C&G, Christopher Kinney, (213) 288-8862, CKinney@dhs.lacounty.gov • MEC, Silvia Gonzalez, (323) 343-0682, SGonzalez@coroner.lacounty.gov • County Counsel, Victoria Mansourian, (213) 974-6681, vmansourian@counsel.lacounty.gov 	

December 3, 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:

**APPROVAL OF A SOLE SOURCE AGREEMENT
WITH PHILIPS NORTH AMERICA LLC
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X)
APPROVE WITH MODIFICATION ()
DISAPPROVE ()**

SUBJECT

Approval of a successor sole source agreement with Philips North America LLC for maintenance and repair services of medical equipment for the Department of Health Services and Department of Medical Examiner-Coroner.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director of Health Services (Director), or authorized designee, to execute a successor sole source agreement (Agreement) with Philips North America LLC (Philips) for a term of ten (10) years until and through December 31, 2029, with a maximum County obligation of \$52,266,232 (\$5,226,623 annually), for the provision of various medical equipment maintenance and repair services at the Department of Health Services (DHS) facilities, and the Department of Medical Examiner-Coroner (MEC).
2. Delegate authority to the Director, or authorized designee, to execute amendments to the Agreement to: (a) add, delete and/or modify certain terms and conditions and as required by applicable law, County policy, the Board and/or the CEO, all with prior approval of County Counsel; (b) provide for emergency, unforeseen and as-needed services, out-of-scope repairs, additional equipment and additional facilities; (c) make changes to the maintained equipment and/or scope of services based on operational needs; (d) add and/or delete equipment, services, and/or other County departments and/or facilities; and (e) effect the termination of the Agreement in accordance with terms and conditions contained in the Agreement, all subject to approval by County Counsel.

3. Delegate authority to the Director, or authorized designee, to increase the maximum County obligation under the Agreement by up to 40% for: (a) emergency, unforeseen and as-needed maintenance, repair and/or professional/support services and out-of-scope repairs; (b) adding maintenance for equipment that is no longer covered by the manufacturer warranty; (c) adding DHS and other County department facilities.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of the first recommendation will allow the Director, or authorized designee, to execute a successor sole source Agreement, substantially similar to Exhibit I, with Philips for a term of ten (10) years for provision of maintenance and repair services for various medical equipment at the DHS facilities, and MEC. The current Agreement expires on December 31, 2019.

Philips currently maintains and services over 1,700 pieces of DHS medical equipment and related software, including equipment for patient monitoring, radiology, imaging, cardiology and two (2) X-ray machines for MEC. DHS has standardized Philips patient monitors across the enterprise. The patient monitors are used throughout DHS facilities to enhance patient care and improve clinical performances by identifying patients in need, supporting caregivers on the go, consolidating patient information, and providing ongoing support for staff. Philips radiology and imaging equipment such as X-ray, ultrasound and position emission tomography/computed tomography scanners are also used in various DHS facilities to examine, diagnose and assist with medical procedures. Philips' software maintenance services include implementation of software updates and remote technical support around the clock.

Approval of the second recommendation will allow the Director, or authorized designee, to amend the Agreement to make administrative or required changes to the terms and conditions, add equipment and services for additional DHS and other County department locations, cover the cost of emergency, unforeseen, as-needed and out-of-scope equipment maintenance and repair services, for operational efficiencies, as well as to effect the County's right to terminate the Agreement for any reason. Approval of this recommendation will allow the Agreement to be amended timely, so that the critical equipment supporting patient care is maintained appropriately, to ensure the safety of patients and facility staff, as well as to meet the requirements of the Joint commission and terminate the Agreement in accordance with the terms and conditions.

Approval of the third recommendation will allow the Director, or authorized designee, to amend the Agreement to increase the maximum County obligation by up to 40% for emergency, unforeseen and as-needed maintenance, repair and professional/support services, out-of-scope repairs, maintenance for additional equipment that is no longer covered by the manufacturer warranty, add DHS facilities and other County department facilities.

Based on experience with equipment maintenance and repair service agreements, DHS believes that the requested maximum 40% increase in the maximum County obligation for the full term of the Agreement is appropriate, since adding even a few pieces of equipment or an additional facility may require a significant cost increase. Facilities will only request that equipment, locations, emergency work and/or support services be added to this Agreement if additional services are needed and funding is available in a facility's budget. On November 19, 2019, in accordance with Board Policy 5.120, DHS notified the Board of its intent to request a delegation of authority in excess of 10%.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions support Strategy II.2 "Support the Wellness of Our Communities" and III.3 "Pursue Operational Effectiveness, Fiscal Responsibility and Accountability" of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The County maximum obligation is \$52,266,232 for the term of the Agreement (\$5,226,623 annually).

Funding is included in the DHS Fiscal Year 2019-20 Final Budget and will be requested in future fiscal years as appropriate.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On October 18, 2005, the Board approved Agreement H-701585 with Philips, the Original Equipment Manufacturer (OEM), to provide equipment maintenance and support services as a purchase order conversion. Agreement H-701585 was amended on several occasions, to extend its term through December 31, 2019 and to add maintenance and repair services for equipment manufactured by GE, Datex, and Siemens. Although not the OEM of that equipment, Philips has provided maintenance and repair services at discounted rates through its multi-vendor program. Philips trains its technicians to maintain equipment from other companies to ensure that equipment is serviced in accordance with the OEM standards.

The services provided under the Agreement are highly specialized and cannot be provided by County staff. Further, these services are only needed on a part-time and/or intermittent basis. Therefore, the Agreement is exempt from Proposition A (Los Angeles County Code Chapter 2.121) and not subject to the Living Wage Program (Los Angeles County Code Chapter 2.201).

The Chief Information Officer (CIO) has reviewed the Board letter and recommends approval of the successor Agreement. CIO concurs with the Department's recommendation and the CIO Analysis is attached as Attachment C.

The Honorable Board of Supervisors

December 3, 2019

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The successor Agreement includes the most recent Board required provisions.

County Counsel has approved Exhibit I as to form.

CONTRACTING PROCESS

On February 6, 2019, DHS notified the Board of its intent to negotiate a successor Agreement with Philips (Attachment A). Philips is the sole provider of maintenance services and parts for its proprietary technology and firmware included in the equipment maintained under the Agreement. Only Philips technicians are certified to provide necessary maintenance and repair services for proprietary technology in its equipment to meet requirements by the Joint Commission, as Philips does not provide training to third party vendors. The sole source checklist is attached as Attachment B.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will ensure ongoing maintenance and repair services for medical equipment at DHS facilities and MEC.

Respectfully submitted,

Reviewed by:

Christina R. Ghaly, M.D.
Director

William S. Kehoe
Chief Information Officer

CRG:al

Enclosures (3)

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

SOLE SOURCE CHECKLIST

Check (√)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS 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. 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.
X	<p>➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.</p> <p>Philips is the sole provider of maintenance services and parts for its proprietary technology and firmware. Only Philips technicians are certified to provide necessary maintenance and repair services for proprietary technology in its equipment to meet requirements by The Joint Commission. Philips does not provide training to third party vendors.</p>
	➤ 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

APPROVAL OF A SOLE SOURCE AGREEMENT WITH PHILIPS NORTH AMERICA

Amendment 2	\$ 10,783,971
Amendment 5	\$ 49,221,865
Amendment 6	\$ 2,453,213
Total Cumulative Cost:	\$102,159,774
Total projected cost:	\$175,332,499
RISKS:	
The following areas of risks have been identified:	
1. Length of contract:	
The length of this proposed agreement is 10 years. While there are potential benefits in terms of favorable pricing and terms, DHS, in the future, may explore shorter-term contracts due to the following reasons:	
<ul style="list-style-type: none">• Medical instrumentation is changing rapidly with the increased use of innovative technologies; This change cycle is much faster now than earlier, thereby outdating the equipment at hand and introducing risks in terms of accuracy of health outcomes. This is a business risk.• IT refresh cycles are getting shorter; outdated PCs, operating systems and associated software are subject to a multitude of technical risks of which security risks are primary.• It will allow exploring the leasing option for these medical devices, as applicable	
Therefore shorter-term contracts with the option to renew can reduce these business and security risks considerably. It can also help avoid the need for delegated authority as high as 40% for contingencies.	
2. Medical Device Management Security Standards	
DHS has several safeguards in place providing defense in-depth, which are in accordance with the County level policy. However, security risks have increased as the medical devices are getting connected to the internet, as well as with critical applications like Electronic Health Record systems. More connectivity to the external network /agencies for maintenance and support has further enhanced the security threats. While the agreement deals with general security provisions that address OS upgrades, patch management, anti malware provisions, endpoint security management etc., medical devices are increasingly being the target of various intrusions. Therefore applicable standards and procedures to mitigate risks are essential. This necessitates DHS to develop a Medical Internet of Things (IOT) standards, which define at least a minimum level of security in accordance with County policy. County CIO will assist DHS in this endeavor as needed.	

APPROVAL OF A SOLE SOURCE AGREEMENT WITH PHILIPS NORTH AMERICA

PREPARED BY:

SANMAY MUKHOPADHYAY, DEPUTY CHIEF INFORMATION OFFICER

DATE

APPROVED:

WILLIAM S. KEHOE, COUNTY CHIEF INFORMATION OFFICER

DATE

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

OPS CLUSTER AGENDA REVIEW DATE	11/14/2019	
BOARD MEETING	12/3/2019	
SUPERVISORIAL DISTRICT AFFECTED	1 st	
DEPARTMENT	Natural History Museum (Museum)	
SUBJECT	Approve the proposed option to extend the term five-years for continued use of 16,038 square feet of warehouse space and 14 on-site parking spaces at 4400 Seville Avenue, Vernon.	
PROGRAM	Marine Mammal Collection	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
DEADLINES/ TIME CONSTRAINTS	The County must exercise the option to extend the term by November 30, 2019 in advance of the February 28, 2020 lease expiration date.	
COST & FUNDING	Total cost: \$570,232 total lease rental, property taxes and utilities costs over 5-years.	Funding source: 100 percent funded as net County cost.
	TERMS (if applicable): The proposed base rent is fixed for the term of the extended term.	
	Explanation: Funding for the proposed option is included in the Fiscal Year 2019-2020 Rent Expense budget and will be billed back to the Museum.	
PURPOSE OF REQUEST	Approval of the recommended action will authorize and continue to adequately provide the necessary warehouse/office space for the Museum.	
BACKGROUND (include internal/external issues that may exist)	<p>The proposed option will allow the Museum to continue storing its Marine Mammal Collection at this existing warehouse space at 4400 Seville Avenue, Vernon in close proximity to the Natural History Museum located at 900 West Exposition Park Boulevard, Los Angeles.</p> <p>The proposed option provides a cancelation provision allowing the County to terminate the lease at, or any time after, the 36th month of the extended term, with 180 days advance written notice to Landlord, and without penalty.</p>	
DEPARTMENTAL AND OTHER CONTACTS	<p>Name, Title, Phone # & Email:</p> <p>Michael Navarro CEO- Real Estate Division 213-974-4364 Mnavarro@ceo.lacounty.gov</p>	



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

December 03, 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:

**EXERCISE FIVE-YEAR OPTION TO EXTEND TERM – LEASE NO. 70586
NATURAL HISTORY MUSEUM
4400 SEVILLE AVENUE, VERNON
(FIRST DISTRICT)
(3 VOTES)**

SUBJECT

Approval to exercise a proposed five-year option to extend the existing lease term for the continued use of a 16,038 square feet of warehouse space and 14 on-site parking spaces at 4400 Seville Avenue, Vernon, for the Natural History Museum.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that exercising the proposed option and extending the existing lease term 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 exercise the proposed option and extend the existing lease term for five years, with Robert Pistay and Mary Patricia Meyer Successor Trustees of the Pistay Family Trust (Landlord), for the continual use of 16,038 square feet of warehouse space and 14 on-site parking spaces for the Natural History Museum (Museum) at 4400 Seville Avenue, Vernon. The proposed annual base rent of \$106,752 is fixed for the entire five-year term. The proposed rental costs for the Museum 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 terms of the proposed option, and to take actions necessary and appropriate to implement the proposed option.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Museum has occupied 16,038 square feet of warehouse space and 14 on-site parking spaces at this facility located at 4400 Seville Avenue, Vernon, since 1966. This location is convenient to the Museum, which is located at 900 West Exposition Boulevard, Los Angeles, less than five miles away. The current term of the lease expires on February 29, 2020. The lease provides the County with an option to extend the existing lease term for another five years commencing on March 1, 2020 and terminating on February 28, 2025 (Extended Term). The existing lease sets forth an option rent of \$8,895.98 per month. Board approval is required to exercise the proposed option.

The Museum uses the facility to store its Marine Mammal Collection and to process specimens received for its collection and study. The Museum provides tours of the Marine Mammal Collection at this facility to prospective donors and upon request for educational purposes. This facility serves one employee situated on-site and 13 employees based at the Museum who travel between the Museum and this facility as needed.

Approval of the recommended actions will find that the proposed option is exempt from CEQA and will continue to provide suitable warehouse space for the Museum.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of “Make Investments That Transform Lives” (Goal 1) directs that we will aggressively address society’s most complicated social, health, and public safety challenges. We want to be a highly responsive organization capable of responding to complex societal challenges – one person at a time. The proposed amendment supports this goal with a facility that provides proper accommodations by continuing to provide office space, programs, and services to clients in a centralized location. The proposed amendment is in conformance with the Asset Management Principles, as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The existing lease specifies rent during the Extended Term at \$8,895.98 per month, which rate is fixed for the entire five-year extension term. The aggregate expense to extend this existing lease another five years is estimated at \$570,233 which is comprised of a Base Rent of \$553,760, the utilities costs estimated at \$1,490 (based on current usage of \$298 per year), and the property taxes estimated at \$34,983. The parking is included in the base rent at no additional cost to the County.

Attachment B provides a comparison of the Extended Term provided through the proposed option and the existing lease and an overview of the total costs associated with the Extended Term.

Sufficient funding for first year costs associated with the Extended Term is included in the Fiscal Year (FY) 2019-20 Rent Expense budget and will be billed back to the Museum. The Museum has sufficient funding in its FY 2019-20 operating budget to cover these costs for the same period. These costs for the Museum will be 100 percent net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In addition to the basic terms set forth herein, the following are additional facts:

- As currently provided in the existing lease, the Landlord remains responsible for maintenance of the building, and the County remains responsible for utilities, property taxes, insurance, interior maintenance and janitorial services.
- The existing lease includes a cancellation provision providing the County the right to terminate the lease at or any time after the 36th month of the Extended Term, with 180 days prior written notice without penalty.

The Museum requests that the proposed option be exercised to extend the term of the existing lease for their current warehouse. The Museum desires the existing warehouse space to continue to be located in close proximity to the Museum and not have to pay for tenant improvements in a new location. The Chief Executive Office (CEO), conducted a market search of available warehouse space for lease and determined the subject facility continues to be the most viable option that continues to meet the Museum's warehouse space requirements in relatively close proximity to the Museum. The existing warehouse space is zoned for warehouse use, has on-site parking, and currently provides sufficient amount of storage space and parking for the Museum's needs.

Based upon a review of available industry data, we have established that the annual rental range for similar space is between \$7 and \$25 per square foot per year, on a triple net basis. In comparison, the option base annual rental rate of \$7 for the Extended Term represents a rate on the very low end of the market rental rates. Parking is included at no additional cost. Attachment C shows all County-owned and leased facilities within the surveyed areas, and reflects that no County-owned or leased facilities are available for the program.

Exercising the proposed option and extending the existing lease term will continue to provide an appropriate location for the existing Museum 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 option is exempt from CEQA. The proposed option, which extends the term of existing leased warehouse space 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 records, 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)

Exercising the proposed option and extending the existing lease term will continue to provide the necessary warehouse space for this County requirement. The Museum concurs with exercising the proposed option and extending the existing lease term.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors return one certified copy of the Minute Order and the adopted stamped Board letter to the Chief Executive Office, 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
Internal Services
Natural History Museum

NATURAL HISTORY MUSEUM
4400 SEVILLE AVENUE, VERNON
Asset Management Principles Compliance Form¹

1. <u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? ² No, this is warehouse space dedicated to the Marine Mammal Collection		X	
B	Does lease co-locate with other functions to better serve clients? ² Not applicable, this is warehouse space dedicated to the Marine Mammal Collection.			X
C	Does this lease centralize business support functions?	X		
D	Does this lease meet the guideline of 200 sq. ft. of space per person? ² Not applicable, this is warehouse space.		X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? Not applicable, this is warehouse space.		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? Yes, it is 100 percent net County costs.	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?		X	
3. <u>Portfolio Management</u>				
A	Did Museum 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 Museums considered?			X
D	Why was this program not co-located?			X
	1. ___ The program clientele requires a "stand alone" facility.			
	2. ___ No suitable County occupied properties in project area.			
	3. <u>X</u> 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 lease a full-service lease? ² No, it is a triple net lease, whereby the County is responsible for property taxes, insurance, utilities, interior maintenance of the building and janitorial services.		X	
F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As approved by the Board of Supervisors 11/17/98				
² If not, why not?				

COMPARISON OF EXISTING LEASE AND PROPOSED OPTION EXTENSION TERM

4400 Seville Ave., Vernon	Existing Lease	Option Extension Term	Change
Office Area (Square Feet)	16,038	16,038	None
Parking	14	14	None
Term (years)	Five years (03/1/2015 - 02/8/2020)	Five years (03/1/2020 – 02/28/25)	None
Annual Base Rent ⁽¹⁾	\$99,303.96 (\$6.24 per sq. ft. annually)	\$106,752 (approx. \$6.66 per sq. ft. annually)	+\$7,447.80
Rental adjustment	None	None	None
Annual Property Taxes ⁽²⁾	\$6,591	\$6,722	+ 2 percent increases per annum
Annual Utilities Costs ⁽³⁾	\$298	\$298	None
Options to Extend Term	One five-year option	None	- One five-year option
Cancellation	At or any time after the 36 th month with 180 days prior written notice.	At or any time after the 36 th month with 180 days prior written notice	None

⁽¹⁾ Base Rent is on a modified- gross basis whereby in addition to the Base Rent, the County is responsible for insurance, property taxes, interior maintenance, utilities and janitorial service. The square foot rate is an approximation based on the annual rent.

⁽²⁾ Property Taxes are subject to 2 percent increase per annum.

⁽³⁾ Based on the average actual utilities costs, actual costs will vary depending on usage

OVERVIEW OF THE PROPOSED LEASE AMENDMENT COST

Leased Area (sq.ft.)	16,038
Term (months)	60
Annual Rent Adjustment	0.00%
Rental Costs	Per Year
	\$106,752
Property Taxes	Current Cost Per Year
	\$6,590.50

	1st Year	2nd Year	3rd Year	4th Year	5th Year	Total 5 Year Rental Costs
Annual Base Rent Costs ¹	106,752	106,752	106,752	106,752	106,752	533,760
Utilities ²	298	298	298	298	298	1,490
Property Taxes ³	6,722	6,857	6,994	7,134	7,276	34,983
Total Annual Rental Costs	113,772	113,907	114,044	114,184	114,327	570,234

¹ Annual base rent is fixed for the term.

² This amount is an estimation based on a historical annual electricity cost of \$0.0186 per sq. ft. This is subject to change based on actuals.

³ Includes 2 percent annual increases.

ATTACHMENT C

**NATURAL HISTORY MUSEUM
5 MILE RADIUS SEARCH FROM 900 W. EXPOSITION BOULEVARD LOS ANGELES**

LACO	Name	Address	Proprietor	Ownership Type	Property Use	Gross Sq.Ft	Net Sq.Ft	Vacant
Y803	Med Center - General Hospital Mini Warehouse	1900 Zonal Ave Los Angeles 90033	LAC USC Medical Center	Owned	Storage Misc > 1000 SQFT	27,899	19,999	NONE
A391	DA - Criminal File Storage/Fraud Investigators	5300 Harbor St. City of Commerce 90040	District Attorney	Leased	Storage Special Condition	52,300	49,685	NONE
3153	County Records Center (County Mall Phase II)	147 N Broadway (Beneath the Court of Flags) Los Angeles 90012, 222 N Hill St. Los Angeles 90012	Chief Executive Office (CEO)	Owned	Storage Special Condition	99,945	62,313	NONE

FACILITY LOCATION POLICY ANALYSIS

Proposed Lease: Exercise Five-year option to extend for the Museum at 4400 Seville Avenue, Vernon – First District

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

B. Determination of the Service Area – Exercising the option and extending the existing lease term will continue to provide use of 16,038 square feet of warehouse space, and 14 on-site parking spaces for the Museum within the City of Vernon.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: Continual need to be located within 5 miles from the museum located at 900 W. Exposition Boulevard, Los Angeles.
- Need for proximity to existing County facilities: N/A

The Facility is centrally located within the service area with convenient access by the public and clients.

- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation:
The Facility is conveniently located near public transportation 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 existing County buildings available to meet the Museum's service needs.
- Compatibility with local land use plans: The site is currently zoned industrial and the current use as warehouse space is consistent with the building's use, zoning and not in conflict with the goals and policies of the City of Vernon.
- Estimated acquisition/construction and ongoing operational costs:

D. Analyze results and identify location alternatives

Based upon a review of available industry data, we have established that the annual rental range for similar space is between \$7 and \$25 per square foot per year. In comparison, the base annual rental rate of \$7 for the proposed amendment represents a rate consistent with the market rental rates. The rental rate is on the very low end of the market. Parking is included at no additional cost. Attachment C shows all County-owned and leased facilities within the surveyed areas, and reflects that no County-owned or leased facilities are 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 proposed facility continues to provide proper accommodations for the existing Museum program within their service area. The option is in conformance with the Asset Management Principles, as outlined in Attachment A. The proposed warehouse 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.

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

OPS CLUSTER AGENDA REVIEW DATE	11/14/2019	
BOARD MEETING	12/3/2019	
SUPERVISORIAL DISTRICT AFFECTED	5 th	
DEPARTMENT	District Attorney (DA)	
SUBJECT	Approve a proposed seven-year Lease Amendment for continued use of 4,234 square feet of office space and 14 on-site parking spaces at 215 N. Marengo Avenue, Pasadena.	
PROGRAM	Juvenile Criminal Prosecution and Services section.	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
DEADLINES/ TIME CONSTRAINTS	The existing lease is currently on a month-to-month holdover since May 2013.	
COST & FUNDING	Total cost: \$1,228,826 total lease rental and parking cost over 7 years.	Funding source: 100 percent funded as net County cost.
	TERMS (if applicable): The proposed base rent is subject to Consumer Price Index (CPI) annual increases capped at 3 percent. Parking cost is fixed for the term of the 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 DA.	
PURPOSE OF REQUEST	Approval of the recommended action will authorize and adequately continue to provide the necessary office space for the DA.	
BACKGROUND (include internal/external issues that may exist)	<p>The proposed lease will allow the DA to continue its operations at this existing Juvenile Services' office at 215 N. Marengo Ave., Pasadena in proximity to the Pasadena Courthouse.</p> <p>The lease will include new carpet and paint as a Base Tenant Improvement (TI) at the existing facility.</p>	
DEPARTMENTAL AND OTHER CONTACTS	<p>Name, Title, Phone # & 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

December 03, 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
215 NORTH MARENGO AVENUE, PASADENA
(FIFTH DISTRICT)
(3 VOTES)**

SUBJECT

Approval of a proposed seven-year lease amendment to provide the District Attorney continued use of 4,234 square feet of office space and 14 on-site parking spaces.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease 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 215 North Marengo Avenue, Pasadena, with Corniche Corporation, (Landlord), for approximately 4,234 square feet of office space with an annual base rent of \$144,803 and 14 on-site parking spaces with an annual cost of \$17,040, at a total annual first year rental cost not to exceed \$161,843. 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 (DA), 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 DA has been at the 215 North Marengo Avenue, Pasadena, location since May 2008, when this suite was initially built-out for County use. The facility houses the DA's Juvenile Criminal Prosecution unit, which works with juvenile cases impacting the greater Pasadena area and neighboring cities. This operation is actively involved in the investigation and prosecution of juveniles accused of public offenses. The office provides accessibility to outside agencies, which act as collaborative partners in the investigation and prosecution of juveniles, with an emphasis on working towards getting affected juveniles off the street in earlier stages of their lives to help prevent them from becoming adult offenders and potentially violent criminals. The program is in proximity to the Pasadena Courthouse and provides both administrative functions as well as direct services to collaborating agencies and clients.

The existing lease has been on month-to-month holdover with no penalty since May 2013, while negotiations for a lease extension were ongoing. Given the specialized operation at this facility, and the improvement costs associated with a potential move, the DA opted to maintain its tenancy at the existing location. In addition to the Courthouse, the facility is 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 office.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal 1 of "Make Investments That Transform Lives" provides that we will aggressively address 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 conveniently located facility with adequate space for employees, collaborators, and clients. 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 \$144,803 or \$34.20 per square foot on an annual basis, plus parking expense of \$17,040 for a total of \$161,843 annually. The aggregate base rent and parking expense for the existing office space over the seven-year term would be approximately \$1,228,826, which includes annual rent increases based on the Consumer Price Index (CPI) capped at 3 percent per annum. The parking fee is fixed for the seven-year term with no annual increases.
- In negotiating this renewal, staff was able to obtain an approximately 10 percent decrease from the existing base rent and 17 percent increase in parking costs for a net 9 percent decrease in overall costs.
- 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 rental costs for the first year of 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 \$31.80 and \$44 per square foot per year. In comparison, the base rent of \$38.22 per square foot per year for the proposed lease agreement, including parking, 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 Pasadena 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 one certified copy 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

**DISTRICT ATTORNEY
215 NORTH MARENGO AVENUE, PASADENA
Asset Management Principles Compliance Form¹**

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 lease meet the guideline of 200 sq. ft of space per person? ² Ratio is approx. 235sf per person due to conference rooms and high-density files.		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>		Yes	No	N/A
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? ² County already occupies facility and a capital project was not considered.		X	
3. <u>Portfolio Management</u>		Yes	No	N/A
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? ²	X		
D	Why was this program not co-located?			X
	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 lease a full-service lease?	X		
F	Has growth projection been considered in space request?			X
G	Has the Dept. of Public Works completed seismic review/approval? ¹	X		
¹ As approved by the Board of Supervisors 11/17/98				
² If not, why not?				

COMPARISON OF PROPOSED LEASE AMENDMENT AND EXISTING LEASE

215 N. Marengo Ave., Pasadena	Existing Lease	Proposed lease amendment	Change
Area (Square Feet)	4,234	4,234	None
Term (years)	Five years (5/12/2008-5/13/2013) currently on month-to- month holdover	Seven years	+2 years
Annual Base Rent	\$161,504 (\$38.14 sq. ft. annually)	\$144,803 (\$34.20 sq. ft. annually)	-\$16,701
Annual Parking Cost (14 spaces)	\$14,616 (\$3.45 sq. ft. annually)	\$17,040 (\$4.02 sq. ft. annually)	+\$2,424
Cancellation	County after 3 years with 90 days' notice	County after 5 years with 180 days' notice	+2 years; +90 days notice
Rental adjustment	Annual CPI increases capped at 4 percent	Annual CPI increases capped at 3 percent	-1 percent

**DISTRICT ATTORNEY
SPACE SEARCH – THREE-MILE RADIUS**

LACO	Name	Address	Ownership	Gross Sq. Ft.	Available Sq. Ft.
0122	Thomas A. Tidemanson Building - Annex Building	417 S Date Ave Alhambra 91803, 900 S Fremont Ave Alhambra 91803	Financed	43500	NONE
5883	Alhambra Courthouse	150 W Commonwealth Ave Alhambra 91801	CA - Courts	111727	NONE
A450	Alternate Public Defender - Alhambra Office	1611 S Garfield Ave Alhambra 91801	Leased	3000	NONE
A469	The Alhambra Complex - West Tower	1000 S Fremont Ave Alhambra 91803	Leased	15206	NONE
A471	The Alhambra Complex - East Tower	1000 S Fremont Ave Alhambra 91803	Leased	148447	NONE
A472	The Alhambra Complex - Sheriff's Storage Building	1000 S Fremont Ave Alhambra 91803	Leased	8240	NONE
A473	Alhambra Complex	1000 S Fremont Ave Alhambra 91803	Leased	3774	NONE
A539	Mental Health - Court Program Offices	1499 Huntington Dr. S. Pasadena 91030	Leased	4210	NONE
B382	Mental Health - Northeast Family M H Services	5321 Via Marisol Rd Los Angeles 90042	Leased	9135	NONE
X327	PRE-RELEASE CENTER AB109	200 W Woodward Ave Alhambra 91801	Owned	11273	NONE
X900	Thomas A. Tidemanson Public Works Building	900 S Fremont Ave Alhambra 91803	Financed	536168	NONE
X901	Community Development & Housing Authority Headquarters	700 W Main St. Alhambra 91801	CDC	118265	NONE

FACILITY LOCATION POLICY ANALYSIS

Proposed sublease renewal: Lease amendment for the District Attorney office at 215 North Marengo Avenue, Pasadena – Fifth 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 3.

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 3 region in support of the DA Juvenile Services' office.
- Need for proximity to existing County facilities: Close to Pasadena Courthouse.
- 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 110 and 210 freeways, the Gold line public transit as well as 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 office works closely with Pasadena Courthouse functions and been in continuous use since May 2008.
- 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 Pasadena. A notification letter has been sent pursuant to Government Code Section 25351.
- Estimated acquisition/construction and ongoing operational costs: The amended annual base rental cost of \$144,803 will be subject to ongoing annual increases based on CPI capped at 3 percent for the extension term, plus annual parking cost of \$17,040 for a total of \$161,843.

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 \$31.80 and \$44 per square foot per year on a full-service gross basis. Thus, the base annual rent of \$38.22 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 Juvenile 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 an 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. 76545
215 N. MARENGO AVENUE, PASADENA**

This Amendment No. 1 to Lease No. 76545 ("Amendment No. 1" or "Amendment") is made and entered into this _____ day of _____, 2019, by and between CORNICHE CORPORATION, a California corporation, hereinafter 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 Agreement dated May 6th, 2008 ("Lease No. 76545", hereinafter referred to as the "Lease") for approximately 4,234 rentable square feet in a building at 215 North Marengo Avenue, Pasadena, California (the "Premises"), for a term of five (5) years;

WHEREAS, the original ten (10) year Term of the Lease expired on May 7th, 2013 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 May 7, 2013, 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(g) 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 Twelve Thousand Sixty-six Dollars and 90/100 (\$12,066.90) per month, i.e., \$2.85 per square foot per month, plus parking for six (6) spaces and eight (8) tandem spaces at \$1,420 per month for a total of \$13,486.90. Base Rent for office space only 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 Adjustment Date thereafter, Base Rent shall be adjusted by applying the CPI Formula set forth below. The "Base Index" shall be the Index published for the month the Extension Term commences.

(b) CPI Formula. The Base 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 Base 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:

$$\frac{\text{New Base Index}}{[\text{Base Index}]} \times \$12,066.90 \text{ (Base Rent)} = \text{New Monthly Base Rent}$$

(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 \$12,066.90 (i.e. not more than \$362.01 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 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.

IN WITNESS WHEREOF, the Landlord's duly authorized representative, and Tenant's duly authorized representative, have executed this Amendment No. 1 to Lease No. 76545 or caused it to be executed, on the Effective Date first above written.

LANDLORD:

CORNICHE CORPORATION,
a California corporation

By: 

Name: LAN LUONG

Its: _____

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate

SACHI A. HAMAI
Chief Executive Officer

By: _____

David P. Howard
Assistant Chief Executive Officer

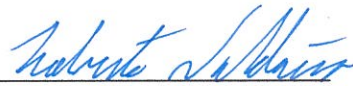
ATTEST:

DEAN C. LOGAN
Registrar-Recorder/County Clerk

By: _____
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: 
Deputy