



County of Los Angeles CHIEF EXECUTIVE OFFICE OPERATIONS CLUSTER

SACHI A. HAMAI
Chief Executive Officer

DATE: December 18, 2019
TIME: 2:00 p.m. – 4:00 p.m.
LOCATION: Kenneth Hahn Hall of Administration, **Room 743**

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 – Rick Velasquez/Gevork Simdjian**
2. **INFORMATIONAL ITEM(S):**
(5 minutes)
 - A) Board Letter:
SOLE SOURCE AMENDMENT TO AGREEMENT 75985
(WAUSAU FINANCIAL SYSTEMS, INC.)
TTC – Bruce Robert, Assistant Treasurer & Tax Collector
 - B) Board Letter:
LA VERNE ENHANCED INFRASTRUCTURE FINANCING DISTRICT
CEO – Robert Moran, Principal Analyst
County Counsel – Michael Buennagel, Deputy County Counsel
 - C) Board Letter:
APPROVAL OF AMENDMENT TO EXISTING LEASE FOR ADDITIONAL
TENANT IMPROVEMENT EXPENSES
CEO-RE – Michael Navarro, Chief Program Specialist
 - D) Board Letter:
EIGHT-YEAR LEASE FOR PUBLIC DEFENDER OFFICE SPACE
CEO-RE – Michael Navarro, Chief Program Specialist
 - E) Board Letter:
AWARD 23 JOB ORDER CONTRACTS
ISD – Mike Eugene, General Manager

CONTINUED ON PAGE 2

3. **PRESENTATION/DISCUSSION ITEMS:**

None available at this time.

4. **Public Comment**
(2 minutes each speaker)

5. **Adjournment**

FUTURE AGENDA TOPICS

CALENDAR LOOKAHEAD:
(5 minutes)

The December 25, 2019 and January 1, 2020 meetings have been cancelled.

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

OPS CLUSTER AGENDA REVIEW DATE	12/18/2019	
BOARD MEETING	1/7/2020	
SUPERVISORIAL DISTRICT AFFECTED	All	
DEPARTMENT	Treasurer and Tax Collector	
SUBJECT	Recommendation to Approve a Sole Source Amendment to Agreement Number 75985 (Wausau Financial Systems, Inc.) for Continued Maintenance and Support of the Treasurer and Tax Collector Image Management System	
PROGRAM	N/A	
SOLE SOURCE CONTRACT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain why: The Image Management System (IMS) is a proprietary system of Wausau Financial Systems, Inc. (Wausau). Wausau is the only known source that can provide maintenance and support for IMS.	
DEADLINES/ TIME CONSTRAINTS	The current agreement with Wausau for maintenance and support expires on January 31, 2020.	
COST & FUNDING	Total cost: \$154,000	Funding source: Remaining Pool Dollars on the existing Wausau Agreement.
	TERMS (if applicable):	
	Explanation:	
PURPOSE OF REQUEST	The TTC is requesting approval for continued maintenance and support services of IMS for 8 months plus four optional month-to-month extensions, for a maximum of 12 months, to allow the TTC sufficient time to implement a replacement system for IMS.	
BACKGROUND (include internal/external issues that may exist)	IMS is a customized document management system that allows TTC staff to scan and route documents received from constituents to various work queues, allowing staff to research and resolve constituent inquiries. IMS is an existing component of the TTC's Remittance Processing System, which the TTC is currently replacing. The replacement Remittance Processing System, which will go live by the end of January 2020, does not include a replacement for IMS. To continue to provide service to our constituents, the TTC is developing and implementing a replacement IMS system; however, the TTC anticipates that it will need up to an additional 12 months of maintenance and support from Wausau to allow time for the implementation of the replacement IMS system.	
DEPARTMENTAL AND OTHER CONTACTS	Name, Title, Phone # & Email: • Bruce Robert, Assistant Treasurer and Tax Collector (213) 974-7363 brobert@ttc.lacounty.gov	



COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

KEITH KNOX
ACTING TREASURER AND TAX COLLECTOR

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 437
Los Angeles, California 90012
Telephone: (213) 974-0703 Fax: (213) 626-1812
ttc.lacounty.gov and lacountypropertytax.com

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

January 7, 2020

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

Dear Supervisors:

**RECOMMENDATION TO APPROVE A SOLE SOURCE AMENDMENT TO
AGREEMENT NUMBER 75985 (WAUSAU FINANCIAL SYSTEMS, INC.) FOR
CONTINUED MAINTENANCE AND SUPPORT OF THE TREASURER AND TAX
COLLECTOR IMAGE MANAGEMENT SYSTEM
(ALL DISTRICTS) (3-VOTES)**

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

SUBJECT:

The recommended action is to approve a Sole Source Amendment to Agreement Number 75985 with Wausau Financial Systems, Inc. (Wausau) for the maintenance and support of the Department of Treasurer and Tax Collector (TTC) Image Management System (IMS). The Amendment will extend the current term of the Agreement, which expires on January 31, 2020, and will allow sufficient time to implement a replacement system, which the TTC plans to develop using internal staffing resources.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair of the Board of Supervisors (Board) to sign the attached Sole Source Amendment Number Five (Attachment I) to Agreement Number 75985 with Wausau to extend the current term of the Agreement for one eight-month extension and four optional month-to-month extensions, for a maximum total of 12 months, for continued maintenance and support of IMS, commencing on February 1, 2020, or the date of your Board's approval, whichever is later. The annual cost of maintenance and support is \$154,000, which will be paid using available remaining funds under the Agreement; therefore, there will be no increase in the County of Los Angeles' (County) maximum obligation.

2. Delegate authority to the Acting Treasurer and Tax Collector, or his designee, to execute Amendments to the Agreement to add, delete, and/or revise certain terms and conditions as required under federal or state law or regulation; policies of the County, Board, and/or Chief Executive Office (CEO), which are not part of the Agreement's Statement of Work (SOW).
3. Delegate authority to the Acting Treasurer and Tax Collector, or his designee, to modify the terms that affect the SOW of the Agreement, but do not materially alter the Agreement, as required by the Board or CEO, provided the TTC obtains County Counsel's approval prior to the execution of such Amendment and/or Change Notice.
4. Delegate authority to the Acting Treasurer and Tax Collector, or his designee, to execute applicable Amendments to the Agreement in the event an entity acquires the original contracting entity, the original contracting entity merges, or otherwise undergoes a corporate action.
5. Delegate authority to the Acting Treasurer and Tax Collector, or his designee, to terminate the Agreement for the administrative convenience of the County.
6. Delegate authority to the Acting Treasurer and Tax Collector, or his designee, to:
1) approve and execute Change Notices using Pool Dollars included as part of the maximum Agreement Sum for the acquisition of additional work requested by the TTC and provided the amounts payable under such Change Notices do not exceed the available amount of Pool Dollars; and 2) approve and execute Change Notices to the Agreement for any change which is clerical or administrative in nature and/or does not affect any term or condition of the Agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The TTC serves as the processor for all property tax payments in the County as well as mail-in payments for several County departments and related agencies. To process these mail-in payments as well as walk-in payments made at the Kenneth Hahn Hall of Administration, the TTC utilizes a system of hardware and software referred to as the Remittance Processing System (RPS), which the TTC first implemented in August 2000. The existing RPS includes IMS, which is a customized document management system that allows TTC staff to scan and route documents received from constituents to various work queues, allowing staff to research and resolve constituent inquiries. These work queues allow for supervisory review and approval of staff responses, ensuring effective and efficient resolution of constituent inquiries. The Auditor-Controller also utilizes IMS to manage constituent inquiries regarding property tax matters.

The TTC has three contracts currently for the maintenance and support of RPS.

- Wausau: Provides maintenance and support for the software used to process and deposit mail-in payments and manage the input and review of documents for the resolution of constituent issues.
- OPEX Corporation (OPEX): Provides hardware maintenance and support for the hardware used to open envelopes and scan payments.
- CORE Business Technologies (CORE): Provides maintenance and support for the software and hardware used to process walk-in payments.

In 2013, the TTC determined that its RPS would soon reach end-of-life and it was necessary to begin the process to replace it. Between October 2013 and March 2015, the TTC submitted to your Board Sole Source Agreement extensions to the existing contracts with Wausau, OPEX, and CORE, and aligned the expiration date of these contracts to provide sufficient time to release a competitive solicitation and implement a new RPS. Your Board approved these Sole Source Agreement extensions.

On July 20, 2017, the TTC issued a competitive solicitation for a new Remittance Processing Replacement System (RPRS), which included requirements for processing mail-in and over-the-counter payments. The TTC did not include replacement of IMS as a requirement in the competitive solicitation, as this service is generally outside the scope of payment processing system providers. In addition, IMS only managed correspondence, while the TTC receives constituent inquiries via correspondence, emails, phone calls, and in-person visits. The TTC began researching available options to provide a more comprehensive replacement for IMS that would better serve constituent needs.

On July 17, 2018, your Board approved a contract with Fairfax Imaging, Inc. (Fairfax) for the provision of a new RPRS. Your Board also approved Sole Source Agreement extensions with Wausau, OPEX, and CORE to extend the term of the Agreements through January 31, 2020, to allow sufficient time to complete the implementation of the new RPRS.

This Sole Source Agreement extension is required for the provision of maintenance and support services for Wausau's IMS while TTC staff develops and implements a case management system to replace IMS. In reviewing available options, the TTC considered Fairfax's proposed RPRS, which does include limited functionality for document workflow; however, after careful examination, the TTC determined that this solution would not meet the TTC's existing needs, let alone the expanded needs that the TTC is attempting to address. The TTC determined that it can develop and

implement a case management system internally, which will allow for greater flexibility and control of the system. The new system will be able to track constituent phone calls, visits to the public service counter, emails, and correspondence from a central application. The TTC anticipates going live with RPRS by January 2020, so the TTC will not require further extensions with OPEX or CORE, nor will the TTC require further extensions of Wausau's software to process mail-in payments. However, the TTC anticipates that it will need Wausau to provide up to 12 months of additional maintenance and support for IMS to accommodate the implementation of its replacement.

Should the TTC complete the implementation of its replacement for IMS prior to the expiration of the initial eight-month extension, in accordance with Paragraph 22 – Termination for Convenience of Agreement 75985, the County may terminate this Agreement when the "County deems such action to be in its best interest" by giving no less than 30 calendar days' notice to the Contractor of the County's intent to terminate this Agreement.

The Wausau system is a proprietary system. Wausau is the only known source that can provide the respective comprehensive maintenance and support services for IMS.

The Chief Information Office (CIO) has reviewed and concurs with this sole source justification. In addition, the TTC briefed this item at the Operations Cluster Meeting on August 8, 2019, and December 18, 2019.

Implementation of Strategic Plan Goals

The approval of this Amendment is consistent with the County Strategic Plan Strategy III.3 – Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability.

FISCAL IMPACT/FINANCING

The maximum County obligation for the term will remain at \$5,640,124, as the proposed Amendment will result in no increase to the maximum Agreement Sum allocated for the term of the Agreement. Maintenance and support services provided during the extended period totaling \$154,000 will be paid out of available remaining funds under the Agreement.

This amount is included in the TTC's Fiscal Year 2019-20 Adopted Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to California Government Code Section 31000, your Board is authorized to contract for special services.

The CIO has reviewed the Board Letter and recommends approval. The CIO has further determined that a formal CIO Analysis is not required for the recommended action as it represents a continuation of the existing Agreement and contains no technology matters.

In accordance with your Board's Policy Number 5.100, Sole Source Contracts, the Sole Source Checklist is attached as Exhibit 1. The Notice of Intent (NOI) to Negotiate Sole Source Agreement Extension was delivered to your Board on August 12, 2019.

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

The Amendment updates the terms of the Agreement to include all current Board required provisions, including Compliance with the County Policy of Equity.

The Agreement expressly provides that the County does not have an obligation to pay Wausau for expenditures that exceed the maximum Agreement Sum. Additionally, the Agreement contains performance standards, including liquidated damages for substandard and/or non-performance.

CONTRACTING PROCESS

On August 12, 2019, the TTC delivered to the Board the NOI to Negotiate Sole Source Agreement Extension to Agreement Number 75985 (Wausau).

On September 25, 2019, the TTC began negotiations with Wausau to extend the existing Agreement to ensure continuity of services during the implementation replacement IMS. The TTC finalized contract negotiations with Wausau, which resulted in this Amendment to the Agreement, which currently expires on January 31, 2020.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The approval of the recommended Amendment will provide the TTC with continued document management services using the existing IMS during the implementation of its replacement.

Respectfully submitted,

Reviewed by:

Keith Knox
Acting Treasurer and Tax Collector

William S. Kehoe
Chief Information Officer

The Honorable Board of Supervisors
January 7, 2020
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KK:BR:NK:DS:lc

Attachments (2)

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

DRAFT

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

OPS CLUSTER AGENDA REVIEW DATE	12/18/2019							
BOARD MEETING	1/14/2020							
SUPERVISORIAL DISTRICT AFFECTED	Fifth							
DEPARTMENT	CEO							
SUBJECT	La Verne Enhanced Infrastructure Financing District (EIFD)							
PROGRAM	Economic Development							
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:							
DEADLINES/ TIME CONSTRAINTS								
COST & FUNDING	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Total benefit: \$37.6 million over 50-years</td><td style="width: 50%;">Funding source: County share of future property tax growth</td></tr> <tr> <td colspan="2">TERMS (if applicable): County contributes ½ of its share of tax increment for funding a defined list of infrastructure projects</td></tr> <tr> <td colspan="2">Explanation: County GF will benefit from the growth in the tax increment on the ½ of its share that it retains</td></tr> </table>		Total benefit: \$37.6 million over 50-years	Funding source: County share of future property tax growth	TERMS (if applicable): County contributes ½ of its share of tax increment for funding a defined list of infrastructure projects		Explanation: County GF will benefit from the growth in the tax increment on the ½ of its share that it retains	
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TERMS (if applicable): County contributes ½ of its share of tax increment for funding a defined list of infrastructure projects								
Explanation: County GF will benefit from the growth in the tax increment on the ½ of its share that it retains								
PURPOSE OF REQUEST	Approve resolution authorizing the County to participate in the La Verne EIFD.							
BACKGROUND (include internal/external issues that may exist)	The EIFD will invest in infrastructure projects that will spur development adjacent to the new Gold Line Station in La Verne.							
DEPARTMENTAL AND OTHER CONTACTS	Name, Title, Phone # & Email: <ul style="list-style-type: none"> • Robert Moran, CEO, 974-1130, rmoran@ceo.lacounty.gov • Michael Buennagel, County Counsel, 974-1833, mbuennagel@counsel.lacounty.gov 							

January 14, 2020

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:

**ADOPT A RESOLUTION OF THE BOARD OF SUPERVISORS AUTHORIZING
COUNTY PARTICIPATION IN THE CITY OF LA VERNE ENHANCED
INFRASTRUCTURE FINANCING DISTRICT
(FIFTH DISTRICT)
(3 VOTES)**

SUBJECT

Recommendation to adopt a Resolution to authorize County participation in the La Verne Enhanced Infrastructure Financing District.

IT IS RECOMMENDED THAT THE BOARD:

Approve a Resolution to authorize the County's participation in the La Verne Enhanced Infrastructure Financing District.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the La Verne Enhanced Infrastructure Financing District ("EIFD") is to finance \$33 million of much needed infrastructure projects in a small area adjacent to the proposed Gold Line transit station. Without the EIFD, the City will have difficulty completing these projects on its own. Projects include: streets, highway, and lighting improvements; a pedestrian bridge to the Fairplex; repair and replacement of water pipelines; and a new sewer line. Only those projects on the attached list will be eligible for participation.

The completion of the proposed infrastructure projects will spur development consistent with the Old Town La Verne Specific Plan. The Plan was adopted in 2014 after a multi-

year process involving local stakeholders including the University of La Verne and the Fairplex to address future development adjacent to the Gold Line station. Projects are expected to include: 750 apartment units and 950 condominium units, including 255 affordable units; 110,000 square feet of retail; 150,000 square feet of business park; and a 150-room hotel.

On October 26, 2017 the City of La Verne formed the EIFD and is now seeking the County's participation.

FISCAL IMPACT/FINANCING

Consistent with Board Policy for evaluating EIFDs, the CEO conducted a fiscal analysis of the EIFD. This analysis was presented to the County's Economic Development Policy Committee on November 8, 2018, and indicated the following:

- The County's contribution of half of its future share of tax increment will support the funding of the infrastructure projects;
- The completion of the infrastructure projects is expected to stimulate the development projects listed above;
- There is a cap on the County's contribution, and once the EIFD receives sufficient property tax increment to fully fund the \$33 million of infrastructure projects, any excess will be returned by the EIFD to the City and County; and
- Due to the estimated property tax increment generated by the development projects, there will be a positive net impact on the County General Fund of approximately \$37.6 million, which reflects the estimated growth in future property taxes due to the new development and represents the half of the County share which is retained by the County General Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS/NEXT STEPS

The law authorizing creation of enhanced infrastructure financing districts, California Government Code section 53398.50, *et seq* ("EIFD law"), took effect in 2015. The EIFD law was established to provide a tool to finance local infrastructure after the dissolution of redevelopment. EIFDs include: a 45-year time limit; a 55 percent vote to issue debt; the voluntary contribution of property tax increment by affected taxing entities for tax increment financing (schools cannot contribute); a cap on the County's contribution; and County participation in the governance of the EIFD.

The City established the La Verne EIFD in 2017. Because the County had not yet adopted its Board Policy, the EIFD was established with only the City's contribution, and

the County is now being requested to participate. If approved, the County will begin participating in the EIFD and contribute one half of its share of future property tax increment generated in the EIFD project area. In addition, once the County becomes a participant in the EIFD, one member of your Board and one member of the public appointed by your Board, shall be members on the Public Financing Authority, which is the governing body of the EIFD. The County will also have the right to review the EIFD's financial records and calculations to ensure the County does not contribute property tax increment more than the amount required to fund the \$33 million infrastructure projects.

The Amended Infrastructure Financing Plan ("IFP") and attached resolution include the provisions necessary for the County to begin participation in the EIFD.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Because the development is within the City of La Verne, the direct impact on the County for services will be minimal. However, benefits of the projects include:

- The development projects are expected to create 600 jobs (including 280 construction jobs, with 30% local hire and 10% targeted worker goals).
- The City's Specific Plan requires 15% low and moderate-income housing on both rental and owned units. Based on 1,700 new apartments and condominiums, the project will produce 255 affordable housing units.
- As a Transit Oriented Development, the projects will produce housing and jobs directly adjacent to the Gold Line, which will improve traffic and air quality in the region.
- One of the significant infrastructure improvements will be a pedestrian bridge, which will allow direct access from the Gold Line to the Fairplex.

CONCLUSION

Upon Board approval, please return two signed copies of the Resolution and one stamped copy of the adopted Board letter to the Chief Executive Office, Economic Development Division for further processing.

Respectfully submitted,

The Honorable Board of Supervisors
January 14, 2020
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SACHI A. HAMAI
Chief Executive Officer

SAH:FAD:JO
RM:acn

Enclosure

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

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF
LOS ANGELES AUTHORIZING COUNTY PARTICIPATION IN THE CITY OF LA VERNE
ENHANCED INFRASTRUCTURE FINANCING DISTRICT TO FINANCE THE CONSTRUCTION
OF PUBLIC INFRASTRUCTURE PROJECTS AND AUTHORIZING CERTAIN OTHER
ACTIONS RELATED THERETO**

WHEREAS, the California Legislature established the Enhanced Infrastructure Financing District (“EIFD”) by enacting California Government Code Section 53398.50 et seq (the “EIFD Code”) to provide local agencies, excluding schools, a means to finance and fund infrastructure projects that will create transit priority projects and the implementation of sustainable community plans, housing units, and construct facilities to house providers of consumer goods and services in the communities served by these efforts; and

WHEREAS, in enacting the EIFD Code, the California Legislature found and determined that with the dissolution of redevelopment agencies, public benefits will accrue, if local agencies finance public infrastructure and community benefit projects authorized under the EIFD Code; and

WHEREAS, in accordance with Section 53398.54, the City of La Verne (“the City”) complied with the prerequisites prior to initiating the creation of and participating in the governance of the EIFD and provided the required certification to the Department of Finance in accordance with the EIFD Code; and

WHEREAS, the City on October 26, 2017 approved Resolution No. 17-75, the Infrastructure Financing Plan (“IFP”) and the establishment of the La Verne EIFD to finance certain public facilities; and

WHEREAS, the Public Financing Authority (“the PFA”) on October 30, 2017 approved Resolution No. 17-01, forming the La Verne EIFD and adopting the IFP; and

WHEREAS, the IFP contains a description of the public facilities to be funded by the EIFD, and a map of the boundaries of the EIFD, which is attached; and

WHEREAS, the IFP provides that the City commits 100% of its share of property tax increment revenues to the EIFD throughout the duration of the EIFD; and

WHEREAS, the IFP contains a limit on the total number of dollars of taxes that may be allocated to the EIFD and sets the date on which the EIFD will cease to exist and all tax allocation to the EIFD will end; and

WHEREAS, the County of Los Angeles Board of Supervisors on August 1, 2017 approved the Board policy for evaluating EIFDs; and

WHEREAS, the City, on May 8, 2018 requested the County consider participation in the La Verne EIFD; and

WHEREAS, the City on July 15, 2019 approved Resolution No. 19-52, approving the amended IFP, which anticipates the County joining the EIFD, and reforms the PFA to include the County Supervisor of the 5th District and a member of the public appointed by the Board of Supervisors in its governance.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of the County of Los Angeles that:

1. The County Board of Supervisors hereby approves the County's participation in the La Verne EIFD which shall take effect on the effective date of this Resolution and the effective date of the City's approval of an amended Infrastructure Financing Plan that includes the participation of the County;
2. The County Board of Supervisors hereby approves the EIFD's boundaries which were defined in the IFP adopted by the City, and are attached;
3. The County Board of Supervisors hereby approves the County's contribution of 50% of the County General Fund share of property tax increment revenues within the boundaries of the EIFD Project Area, to the EIFD throughout the duration of the EIFD, or such time as the limits are reached;
4. The County will begin contributing its share July 1, 2020, for the 2020-21 Fiscal Year. The base year for the County General Fund share will be 2019-20;
5. The County-Auditor Controller will calculate the property tax shares consistent with California Government Code Section 53398.75, which requires that for areas of the EIFD that overlap former redevelopment agency project areas, any debt or obligation of the EIFD is subordinate to the obligations of the former redevelopment agency;
6. The EIFD will include a time limit consistent with the Law, 45-years after the issuance of the first bonds;
7. A limit on the total number of dollars that the County will contribute shall be defined as the annual amount of the County contribution that is needed to pay bond payments, or otherwise fund the approved list (\$33 million) of infrastructure projects. The infrastructure projects shall be considered fully funded when all projects have been financed by bonds, excess tax increment, or other funds. In the following fiscal year after the projects have been fully funded, and any year thereafter up to the time limit, any County contribution more than remaining bond payments shall be returned by the EIFD to the County. The EIFD shall provide the County an annual accounting of the status of the funding of the approved infrastructure projects, and notify the County when they have been fully funded;
8. The County shall have the right to review the Public Financing Authorities' calculations required in Section 7, to determine if the project cap has been reached;
9. The County Board of Supervisors hereby approves the list of public facilities proposed to be financed by the EIFD, and are attached and listed as facilities in Exhibit ___;
10. The County Board of Supervisors hereby approves the Public Financing Authority ("PFA") as adopted by the City on October 30, 2017 and reformed by City Resolution No. 19-52. Upon approval of the Board of Supervisors, the PFA will adopt the amended IFP. The reformed PFA is the governing body of the EIFD, and pursuant to Government Code 533398.51.1, the PFA's membership will include the Los Angeles County Supervisor of the District in which the EIFD is located, two members of the La Verne City Council, and two members of the public (one each appointed by the City and County); and

- The foregoing resolution was on the ___ day of January 2019, adopted by the Board of Supervisors of the County of Los Angeles.

By _____
Deputy

MARY C. WICKHAM
County Counsel

By _____
Deputy County Counsel

[illegible]

City of La Verne Enhanced Infrastructure Financing District (EIFD)

County of Los Angeles Chief Executive Office

December 12, 2019

EIFD Fundamentals

EIFDs approved / amended by SB628 (2014), AB313 (2015), AB1568 (2017), AB 116 (2019)

- Tax increment financing backed by the **voluntary** participation of local taxing entities (school districts cannot participate)
- Eligible Projects: Any property with useful life of 15+ years & of communitywide significance, especially projects that support sustainable community goals
- Term: 45 years from first bond issuance
- Governance: Public Financing Authority led by city or county implements Infrastructure Financing Plan
- Approvals: No public vote to create district
- No blight test needed
- District boundaries do not need to be contiguous

La Verne Project General Area



La Verne EIFD Project Area

(Total EIFD Area ~ 110 acres)



La Verne Project – Existing Conditions



La Verne Project Proposal



La Verne Project Proposal

1,700

New Residential Units

110,000

Square Feet of Retail

150

Hotel Rooms

150,000

Square Feet Business Park

\$33,000,000

Public Improvements

600

Direct and Indirect Jobs (including 280 construction jobs,
with 30% local hire and 10% targeted worker goals)



La Verne EIFD Benefits

- Will facilitate TOD and Complete Streets, fulfilling GHG reduction goals and SCAG RTP/SCS
- Will provide for diverse housing opportunities for low and moderate income and very-low income residents and families
- Will provide access to major employers/institutions such as the University of La Verne, Gilead Sciences, Cal Poly Pomona, and Metropolitan Water District
- Will provide for improved access/connectivity to regional County assets (Fairplex, Frank G. Bonelli Regional Park, and Brackett Field)

La Verne Project – Infrastructure Needs

Off-site improvements that facilitate Transit Oriented Development (TOD) in La Verne's segment of the Gold Line corridor:

- Expansion of Existing Utilities
- Improved Connectivity Between Destinations
 - Pedestrian Bridge
- Improved Streetscape

La Verne Project – Infrastructure

City of La Verne Total Estimated Infrastructure Costs	
Subtotals	Estimated Cost
Subtotal Water Infrastructure	\$18.9 Million
Subtotal Sewer and Storm Drain	\$2.3 Million
Subtotal Street/ Connectivity Improvements	\$11.8 Million
Total Infrastructure Cost Estimates	\$33 Million

	WATER SYSTEM	SEWER/ STORM DRAIN	STREETS/ CONNECTIVITY
5-10 Years	Pipelines -1 st to 3 rd and E to F Sts.	Increase sewer capacity on White	Arrow Hwy. Median & Underground utilities
	Replace 16" pipe in E St.	New sewer line on 1 st St.	Pedestrian Improvements
			Lighting/Landscaping
			Pedestrian Overpass
10-15 Years	Pipeline from White to Hillcrest pump sta.		Traffic Signal Improvements
			Connectivity to Old Town Improvements
15+ Years	New 3.5 mil. Gal. storage in Zone 1		

County Board Policy

On August 1, 2017 the County Board of Supervisors adopted a policy for evaluating EIFD proposals

On September 17, 2018, the City officially requested the County join its EIFD

Minimum Requirements

- | | | |
|---|---|-------|
| ✓ | 1. <i>The City's share of property tax increment must equal a minimum of 15 cents (\$0.15) for every dollar (\$1.00) captured in the EIFD Project Area.</i> | 18.5% |
| ✓ | 2. <i>The City's contribution of property tax increment must at least equal that contributed by the County General Fund and its special districts.</i> | 14.8% |
| ✓ | 3. <i>The County must not be required to contribute one hundred percent (100%) of its property tax increment.</i> | 50.0% |
| ✓ | 4. <i>The Fiscal Analysis conducted by the County must demonstrate a positive net impact to the County General Fund because of the tax revenue generated from the Project Area.</i> | |
| ✓ | 5. <i>In addition to supporting economic development, the proposed EIFD Project must align with established Board priorities in one or more of the following areas: 1) affordable housing; 2) homeless prevention; 3) workforce development; or 4) sustainability.</i> | |
| | 6. <i>Any rental housing proposed for the EIFD must allocate a minimum of twenty percent (20%) of all units for affordable housing. In certain circumstances, this requirement may be satisfied through payment of an in-lieu fee or through provision of an equivalent number of affordable housing units at a separate location in proximity to the economic development site</i> | 15.0% |
| ✓ | 7. <i>The EIFD proposal must be consistent with Division 2 of Title 5 of the California Government Code (Section 53398.5 - 53398.58), which authorizes the formation of EIFDs</i> | |

Fiscal Analysis

La Verne EIFD										18.47%	14.80%	14.80%	
A	B	C	D	E	F	G	H	I	J	K	L	M	N
proj. year	Fiscal Year	Assessed Values	Retail	Business Park	Hotel	Apartments	Condos	Total Values	TI Revenues	City Contribution	County Contribution	Total Revenue	Net to County
0	2017-18	\$ 64,028,201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,028,201	\$ -	\$ -	\$ -	\$ -	\$ -
1	2018-19	65,308,765	-	-	-	-	-	65,308,765	12,806	2,365	1,895	4,260	1,895
2	2019-20	66,614,941	-	-	-	-	-	66,614,941	25,867	4,778	3,828	8,606	3,828
3	2020-21	67,947,239	-	-	-	-	-	67,947,239	39,190	7,238	5,800	13,039	5,800
4	2021-22	69,306,184	-	-	-	-	-	85,542,667	215,145	39,737	31,841	71,579	31,841
5	2022-23	70,692,308	4,140,303	-	16,561,212	24,151,768	49,683,636	165,229,227	1,012,010	186,918	149,778	336,696	149,778
6	2023-24	72,106,154	4,223,109	-	16,892,436	24,634,803	50,677,309	168,533,811	1,045,056	193,022	154,668	347,690	154,668
7	2024-25	73,548,277	4,307,571	-	17,230,285	25,127,499	51,690,855	171,904,487	1,078,763	199,248	159,657	358,904	159,657
8	2025-26	75,019,243	4,393,723	-	17,574,891	25,630,049	52,724,672	175,342,577	1,113,144	205,598	164,745	370,343	164,745
9	2026-27	76,519,628	4,481,597	-	17,926,389	26,142,650	53,779,166	178,849,429	1,148,212	212,075	169,935	382,010	169,935
10	2027-28	78,050,020	9,142,458	-	18,284,916	24,663,408	137,136,872	317,277,675	2,532,495	467,752	374,809	842,561	374,809
11	2028-29	79,611,020	9,325,307	-	18,650,615	26,156,676	139,879,610	323,623,228	2,595,950	479,472	384,201	863,673	384,201
12	2029-30	81,203,241	9,511,813	-	19,023,627	27,679,810	142,677,202	330,095,693	2,660,675	491,427	393,780	885,207	393,780
13	2030-31	82,827,306	9,702,050	-	19,404,099	27,233,406	145,530,746	336,697,607	2,726,694	503,620	403,551	907,171	403,551
14	2031-32	84,483,852	9,896,091	-	19,792,181	28,818,074	148,441,361	343,431,559	2,794,034	516,058	413,517	929,575	413,517
15	2032-33	86,173,529	10,094,013	-	20,188,025	28,434,436	151,410,188	350,300,190	2,862,720	528,744	423,683	952,427	423,683
16	2033-34	87,896,999	10,295,893	-	20,591,786	28,083,124	154,438,392	357,306,194	2,932,780	541,684	434,051	975,736	434,051
17	2034-35	89,654,939	10,501,811	-	21,003,621	28,764,787	157,527,160	364,452,318	3,004,241	554,883	444,628	999,511	444,628
18	2035-36	91,448,038	10,711,847	-	21,423,694	28,480,083	160,677,703	371,741,364	3,077,132	568,346	455,415	1,023,762	455,415
19	2036-37	93,276,999	10,926,084	-	21,852,168	28,229,684	163,891,257	379,176,192	3,151,480	582,078	466,419	1,048,497	466,419
20	2037-38	95,142,539	40,863,553	22,289,211	22,289,211	195,030,596	423,495,008	799,110,118	7,350,819	1,357,696	1,087,921	2,445,618	1,087,921
21	2038-39	97,045,390	41,680,824	22,734,995	22,734,995	198,931,208	431,964,908	815,092,320	7,510,641	1,387,215	1,111,575	2,498,790	1,111,575
22	2039-40	98,986,298	42,514,441	23,189,695	23,189,695	202,909,832	440,604,206	831,394,167	7,673,660	1,417,325	1,135,702	2,553,027	1,135,702
23	2040-41	100,966,023	43,364,730	23,653,489	23,653,489	206,968,028	449,416,290	848,022,050	7,839,938	1,448,037	1,160,311	2,608,348	1,160,311
24	2041-42	102,985,344	44,232,024	24,126,559	24,126,559	211,107,389	458,404,616	864,982,491	8,009,543	1,479,363	1,185,412	2,664,775	1,185,412
25	2042-43	105,045,051	45,116,665	24,609,090	24,609,090	215,329,537	467,572,708	882,282,141	8,182,539	1,511,315	1,211,016	2,722,331	1,211,016
26	2043-44	107,145,952	46,018,998	25,101,272	25,101,272	219,636,128	476,924,163	899,927,783	8,358,996	1,543,907	1,237,131	2,781,038	1,237,131
27	2044-45	109,288,871	46,939,378	25,603,297	25,603,297	224,028,850	486,462,646	917,926,339	8,538,981	1,577,150	1,263,769	2,840,919	1,263,769
28	2045-46	111,474,648	47,878,166	26,115,363	26,115,363	228,509,427	496,191,899	936,284,866	8,722,567	1,611,058	1,290,940	2,901,998	1,290,940
29	2046-47	113,704,141	48,835,729	26,637,670	26,637,670	233,079,616	506,115,737	955,010,563	8,909,824	1,645,644	1,318,654	2,964,298	1,318,654
30	2047-48	115,978,224	49,812,444	27,170,424	27,170,424	237,741,208	516,238,051	974,110,775	9,100,826	1,680,923	1,346,922	3,027,845	1,346,922
31	2048-49	118,297,789	50,808,692	27,713,832	27,713,832	242,496,032	526,562,812	993,592,990	9,295,648	1,716,906	1,375,756	3,092,662	1,375,756
32	2049-50	120,663,744	51,824,866	28,268,109	28,268,109	247,345,953	537,094,069	1,013,464,850	9,494,366	1,753,609	1,405,166	3,158,776	1,405,166
33	2050-51	123,077,019	52,861,364	28,833,471	28,833,471	252,292,872	547,835,950	1,033,734,147	9,697,059	1,791,047	1,435,165	3,226,212	1,435,165
34	2051-52	125,538,560	53,918,591	29,410,140	29,410,140	257,338,729	558,792,669	1,054,408,830	9,903,806	1,829,233	1,465,763	3,294,996	1,465,763
35	2052-53	128,049,331	54,996,963	29,998,343	29,998,343	262,485,504	569,968,523	1,075,497,006	10,114,688	1,868,183	1,496,974	3,365,157	1,496,974
36	2053-54	130,610,317	56,096,902	30,598,310	30,598,310	267,735,214	581,367,893	1,097,006,946	10,329,787	1,907,912	1,528,809	3,436,720	1,528,809
37	2054-55	133,222,524	57,218,840	31,210,276	31,210,276	273,089,918	592,995,251	1,118,947,085	10,549,189	1,948,435	1,561,280	3,509,715	1,561,280
38	2055-56	135,886,974	58,363,217	31,834,482	31,834,482	278,551,717	604,855,156	1,141,326,027	10,772,978	1,989,769	1,594,401	3,584,170	1,594,401
39	2056-57	138,604,714	59,530,481	32,471,172	32,471,172	284,122,751	616,952,259	1,164,152,548	11,001,243	2,031,930	1,628,184	3,660,114	1,628,184
40	2057-58	141,376,808	60,721,091	33,120,595	33,120,595	289,805,206	629,291,304	1,187,435,599	11,234,074	2,074,933	1,662,643	3,737,576	1,662,643
41	2058-59	144,204,344	61,935,513	33,783,007	33,783,007	295,601,310	641,877,130	1,211,184,311	11,471,561	2,118,797	1,697,791	3,816,588	1,697,791
42	2059-60	147,088,431	63,174,223	34,458,667	34,458,667	301,513,336	654,714,673	1,235,407,997	11,713,798	2,163,538	1,733,642	3,897,181	1,733,642
43	2060-61	150,030,200	64,437,707	35,147,840	35,147,840	307,543,603	667,808,966	1,260,116,157	11,960,890	2,209,174	1,770,210	3,979,385	1,770,210
44	2061-62	153,030,804	65,726,461	35,850,797	35,850,797	313,694,475	681,165,146	1,285,318,480	12,212,903	2,255,723	1,807,510	4,063,233	1,807,510
45	2062-63	156,091,420	67,040,991	36,567,813	36,567,813	319,968,364	694,788,449	1,311,024,849	12,469,966	2,303,203	1,845,555	4,148,758	1,845,555
46	2063-64	159,213,248	68,381,810	37,299,169	37,299,169	326,367,732	708,684,217	1,337,245,346	12,732,171	2,351,632	1,884,361	4,235,993	1,884,361
47	2064-65	162,397,513	69,749,447	38,045,153	38,045,153	332,895,086	722,857,902	1,363,990,253	12,999,621	2,401,030	1,923,944	4,324,974	1,923,944
48	2065-66	165,645,463	71,144,436	38,806,056	38,806,056	339,552,988	737,315,060	1,391,270,058	13,272,419	2,451,416	1,964,318	4,415,734	1,964,318
49	2066-67	168,958,373	72,567,324	39,582,177	39,582,177	346,344,048	752,061,361	1,419,095,460	13,550,673	2,502,809	2,005,500	4,508,309	2,005,500
50	2067-68	172,337,540	74,018,671	40,373,820	40,373,820	353,270,929	767,102,588	1,447,477,369	13,834,492	2,555,231	2,047,505	4,602,735	2,047,505
Totals		\$ 5,587,804,479	\$ 1,853,428,210	\$ 944,604,295	\$ 1,247,240,722	\$ 9,208,517,841	\$ 19,707,647,738	\$ 38,549,243,285	\$ 352,838,050	\$ 65,169,188	\$ 52,220,031	\$ 117,389,219	\$ 52,220,031
Net Present Value										\$ 33,765,539	\$ 27,056,306	\$ 60,821,846	\$ 27,056,306

Fiscal Analysis

La Verne EIFD

County Contribution / Development Scenarios

Scenario		County Contribution	City Contribution	Projects Completed	Delay in Project Completion	Net to County (NPV)	Infrastructure Funding Requirement	Total Bond Proceeds	Other Funds	Revenue in Excess of D/S	Total Available Funding	Infrastructure Funding Excess / Shortage	County Share of Excess	County Share of Excess (NPV)	Total County Share (NPV)
1	Base Case	0%	0%	0%	N/A	\$ 3,520,663									\$ 3,520,663
2	But/For	0%	100%	50%	10	\$ 21,805,138	\$ 33,080,000	\$ 2,995,838	\$ 1,000,000	\$ 21,013,967	\$ 25,009,804	\$ (8,070,196)	\$ -	\$ -	\$ 21,805,138
3	Expected EIFD	50%	100%	100%	0	\$ 27,056,306	\$ 33,080,000	\$ 26,217,075	\$ 1,000,000	\$ 58,660,257	\$ 85,877,332	\$ 52,797,332	\$ 23,486,640	\$ 10,525,983	\$ 37,582,289

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

OPS CLUSTER AGENDA REVIEW DATE	12/18/2019	
BOARD MEETING	1/7/2020	
SUPERVISORIAL DISTRICT AFFECTED	4 th	
DEPARTMENT	Department of Public Social Services (DPSS) and District Attorney (DA)	
SUBJECT	Approval of Amendment to existing lease for additional Tenant Improvement Expenses	
PROGRAM	Warehouse storage and related office space	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
DEADLINES/ TIME CONSTRAINTS	Because the TI amounts previously authorized by the Board are not sufficient to complete the TI and low-voltage work, additional authority is requested so that each leased space can be completed and available for use by the applicable tenant department. The current budget is expected to be expended by January 10, 2019. If approval is not obtained, a work stop order will need to be issued.	
COST & FUNDING	Total cost: \$522,000 additional tenant improvement funds and \$376,000 additional telecom funds (DA) \$978,000 additional tenant improvement funds and \$212,723 additional telecom funds (DPSS).	Funding source: 100 percent funded by net County cost. 84 percent funded by State and Federal funds and 16 percent funded by net County cost.
	TERMS (if applicable): <u>Lease at 13415 Carmenita Road, Santa Fe Springs</u> The total TI expense paid by the County for this lease is \$4,900,816, of which \$3,400,816 will be paid in one or more payments, as previously approved by the Board, and the \$1,500,000 additional TI expense will be paid to Landlord in one lump sum upon substantial completion of the improvements.	
	Explanation: Additional appropriation will be requested in the Rent Expense budget during the Fiscal Year 2019-20 Mid-year budget adjustment process to cover the additional TI's and will be billed back to DA and DPSS.	
PURPOSE OF REQUEST	Approval to amend the existing lease to add additional tenant improvement funds at 13415 Carmenita Road, Santa Fe Springs the Department of Public Social Services and District Attorney (Fourth District).	
BACKGROUND (include internal/external issues that may exist)	On July 30, 2019, the Board approved an eight-year lease which provides 200,068 square feet of warehouse and office space for DPSS, DA, and other County departments to be designated. The Board authority included approval of TI dollars for DSPS and DA. However, after the construction plans were completed and bid out, the actual cost for the project was much higher than anticipated and exceeded the TI amount approved by the Board. The Chief Executive Office (CEO) worked with the respective departments and the Landlords to make significant changes to reduce scope and cut costs. However, the revised costs still came in over budget. The overages are attributable to several factors, including, without limitation, the Landlord's preliminary budget not being adequate due to certain scope of work that was not included in the preliminary budget, trade bids that came in higher than expected, and increases in construction costs. The County, along with other owners, has been experiencing higher than expected construction costs due to a very robust construction market, increases in labor costs due to a shrinking unemployment rate, and increases in construction material costs.	
DEPARTMENTAL AND OTHER CONTACTS	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>

Board of Supervisors
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Third District

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Fourth District

KATHRYN BARGER
Fifth District

January 7, 2020

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 TO EXISTING LEASE
FOR ADDITIONAL TENANT IMPROVEMENT EXPENSES
FOR DEPARTMENT OF PUBLIC SOCIAL SERVICES
AND THE DISTRICT ATTORNEY AT
13415 CARMENITA ROAD, SANTE FE SPRINGS
(FOURTH DISTRICT)
(3 VOTES)**

SUBJECT

Approval of an amendment to an existing lease to add additional tenant improvement and low-voltage funds for the Department of Public Social Services and the District Attorney at 13415 Carmenita Road, Santa Fe Springs.

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. Approve and authorize the Chief Executive Officer, or her designee, to execute the proposed lease amendment with Golden Springs Development Company, LLC, (Landlord), to provide an additional amount not to exceed \$1,500,000, including interest, if needed, to cover additional tenant improvement (TI) costs for the Department of Public Social Services (DPSS) and District Attorney (DA) lease at 13415 Carmenita Road, Santa Fe Springs (Lease). The DPSS portion of the TI cost and interest, if needed, is \$978,000 and the DA portion is \$522,000. The additional TI costs will be paid to Landlord in a lump sum payment, plus if needed, interest accruing at 8 percent per annum. The TI costs and interest for DPSS are 84 percent funded with State and Federal funds and 16 percent net County cost. The TI costs for DA are 100 percent net County cost.

"To Enrich Lives Through Effective And Caring Service"

3. Authorize the Director of DPSS, or her designee, to provide additional funds not to exceed \$212,723 and authorize the DA, or her designee, to provide additional funds not to exceed \$376,000 to Internal Services Department (ISD) to cover the total \$588,723 additional telephone, data and low-voltage systems, and security costs. The additional low-voltage costs will be paid in a lump sum payment. The low-voltage items for DPSS are 84 percent funded with State and Federal funds, and 16 percent net County cost. The low-voltage items for the DA are 100 percent net County cost.

4. Authorize the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate payment of the additional TI costs for the lease, and to take actions necessary and appropriate to implement the authorizations provided above.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On July 30, 2019, the Board approved an eight-year lease which provides 200,068 square feet of warehouse and office space for DPSS, DA, and other County departments to be designated. The Board authority included approval of TI dollars for DPSS and the DA. However, after the construction plans were completed and bid out, the actual cost was much higher than anticipated and exceeded the TI amount approved by the Board. The Chief Executive Office (CEO) worked with DPSS and the DA and the Landlord to make significant changes to reduce scope and cut costs. However, the revised costs for DPSS and DA still exceed the approved budget. The overages are attributable to several factors, including, without limitation, the Landlord's preliminary budget not being adequate due to certain scope of work that was not included in the preliminary budget, trade bids that came in higher than expected, and increases in construction costs. The County, along with other owners, has been experiencing higher than expected construction costs due to a very robust construction market, increases in labor costs due to a shrinking unemployment rate, and increases in construction material costs.

Further, the low-voltage budget amount approved by the Board has also been exceeded and additional funds are needed to cover the overage. At the time the Board Letter was prepared, staff used the standard of \$7,500 per person cost associated with office space. However, since this is office space as well as warehouse space, there are additional low-voltage items not normally associated with office space, such as additional cameras and extra security systems, which are needed for warehouse space.

Because the TI amount and low-voltage cost previously authorized by the Board is not sufficient to complete the TI work, additional authority is requested so that this leased space can be completed. Approval of the recommended actions will find that these actions are exempt from CEQA.

FISCAL IMPACT/FINANCING

The existing Lease includes a total Tenant Improvement budget of \$3,700,918, including \$300,102 in Tenant Improvement paid by the Landlord and \$3,400,816 paid by the County. The County's Tenant Improvement budget was allocated \$2,442,816 for DPSS and \$958,000 for the DA. However, total Tenant Improvement costs, including interest, are currently estimated at \$5,200,918, which is \$1,500,000 more than is authorized under the Lease. Attachment A includes a chart which shows the total Tenant Improvement Costs with the requested additional amounts and responsibility for payment.

Additional appropriation will be requested in the Rent Expense budget during the Fiscal Year 2019-20 Mid-year budget adjustment process to cover the additional TI cost of \$1,500,000. The TI cost will be reimbursed by DPSS and DA. The additional TI costs for DPSS are 84 percent funded with State and Federal funds and 16 percent net County cost. The additional TI costs for DA are 100 percent net County cost.

The original Board letter adopted on July 30, 2019 authorized \$1,400,000 for low-voltage costs. Due to the additional low-voltage items requested by DPSS and DA related to security, among other things, the current estimated cost for low-voltage items through ISD is \$1,988,723 which is \$588,723 more than is authorized by the Board. DPSS and the DA have sufficient funding in their respective FY 2019-20 operating budget to cover the projected low voltage additional costs in a lump sum payment. The additional low-voltage costs for DPSS are 84 percent funded with State and Federal funds and 16 percent net County cost. The additional low-voltage costs for DA are 100 percent net County cost.

LEGAL REQUIREMENTS

In order to not delay moving the tenant departments into their leased space, the landlord has commenced the TI work using the TI funds already approved by the Board. The Landlord will only proceed with TI work up to the amount authorized by the Board. ISD will only proceed with low-voltage work, concurrently with TI work, up to the amount authorized by the Board.

ENVIRONMENTAL DOCUMENTATION

The 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.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The lease continues to provide the necessary office and warehouse space for the County requirements and DPSS and the DA concur.

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, 320 West Temple Street, 7th Floor, Los Angeles, CA 90012.

Respectfully submitted,

Sachi A. Hamai
Chief Executive Officer

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

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor Controller
Public Social Services
District Attorney

ATTACHMENT A

Tenant Improvement Costs

Who Pays	Board Authorized TI amounts	Requested Increase	Updated Total
Landlord	\$300,102	\$0	\$300,102
DA	\$958,000	\$522,000	\$1,480,000
DPSS	<u>\$2,442,816</u>	<u>\$978,000</u>	<u>\$3,420,816</u>
County	\$3,400,816	\$1,500,000	\$4,900,816
Total TI Budget:	\$3,700,918	\$1,500,000	\$5,200,918

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

OPS CLUSTER AGENDA REVIEW DATE	12/18/2019			
BOARD MEETING	1/7/2019			
SUPERVISORIAL DISTRICT AFFECTED	3 rd			
DEPARTMENT	Public Defender (PD)			
SUBJECT	Approve the proposed eight-year lease for approximately 6,000 square feet of office space and 35 on-site parking spaces at 6464 Sunset Boulevard, Los Angeles			
PROGRAM	Mental Health Office – Department 95			
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:			
DEADLINES/ TIME CONSTRAINTS	The PD must vacate their first-floor office space within the Metro Court facility.			
COST & FUNDING	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;"> Total cost: \$3,793,036 total lease rental, costs including parking, fiber riser connection fees, cabling costs and low voltage costs over 8-years. </td><td style="width: 50%;"> Funding source: 100 percent funded as net County cost. </td></tr> </table> <p>TERMS (if applicable): The proposed base rent is subject to fluctuating annual increases which average 4.44 percent per annum as a result of the extremely tight Hollywood market and high demand for office space. The parking rent is subject to periodic prevailing parking rate increases posted at the building.</p> <p>The County can request direct internet access through the Landlord if needed. The cost for said service is based on the Landlords rate sheet and the level of service required and selected by County and until the County's service provider completes its installation.</p> <p>The lease includes an option to lease up to an additional 4,000 square feet of office space and parking at the rental rate of the existing office space at the time the option is exercised.</p> <p>Explanation: Funding for the proposed option is included in the Fiscal Year 2019-2020. Rent Expense budget and will be billed back to the PD.</p>		Total cost: \$3,793,036 total lease rental, costs including parking, fiber riser connection fees, cabling costs and low voltage costs over 8-years.	Funding source: 100 percent funded as net County cost.
Total cost: \$3,793,036 total lease rental, costs including parking, fiber riser connection fees, cabling costs and low voltage costs over 8-years.	Funding source: 100 percent funded as net County cost.			
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 PD's Mental Health office (Department 95) is currently located at the Metropolitan Courthouse (Metro Court) located at 1945 South Hill Street, Los Angeles. Relocation of Department 95 is necessitated by the need for the PD to be located in close proximity to the Mental Health Courthouse (Court) that recently opened at 5935 Hollywood Boulevard, Los Angeles and the request from Metro Court for the PD to vacate their first-floor office space within the Metro Court facility.</p> <p>The office space is currently occupied by 12 employees who had an urgent need to relocate after losing their first-floor office space at Metro Court. The Landlord allowed early entry and use of the Premises by entering into a two-month administrative lease with the County to temporarily allow partial use of the Premises for the 12 employees, including 12 parking spaces at a reduced monthly rent, including parking since November 18, 2012.</p> <p>The temporary lease will be replaced by the proposed longer eight-year lease upon approval by the Board of Supervisors. The proposed Premises is in close proximity to the new Hollywood Courthouse</p> <p>The proposed lease does not contain an early cancelation provision</p>			
DEPARTMENTAL AND OTHER CONTACTS	Name, Title, Phone # & Email: Michael Navarro CEO- Real Estate Division 213-974-4364 Mnavarro@ceo.lacounty.gov			



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>

SACHI A. HAMAI
Chief Executive Officer

January 7, 2020

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:

**EIGHT-YEAR LEASE
PUBLIC DEFENDER
6464 SUNSET BOULEVARD, LOS ANGELES
(THIRD DISTRICT)
(3 VOTES)**

SUBJECT

Approval of a proposed new eight-year lease for 6,000 square feet of office space, and 35 on-site parking spaces for the Public Defender.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease 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 lease with Paramount Contractors & Developers, Inc., (Landlord), for approximately 6,000 square feet of office space, and 35 on-site parking spaces located at 6464 Sunset Boulevard, Los Angeles, California 90028, to be occupied by the Public Defender (PD). The estimated maximum first year base rent plus parking of the proposed lease is \$353,700. The rental costs will be 100 percent net County cost.

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

3. Authorize the Chief Executive Officer, or her designee, to reimburse the Landlord up to \$26,650 for the County's low-voltage cabling (cabling) and \$2,400 per annum for the fiber riser connection fee (riser fee). The cabling costs will be paid in a \$26,650 lump sum payment and the riser fee will be paid in monthly payments to the Landlord. The total payable to Landlord including base rent, parking, cabling costs and riser fee in the first year is \$382,750.
4. Authorize the PD to contract with and direct the Internal Services Department (ISD), in coordination with the Chief Executive Officer, the acquisition and installation of telephone, data, and low-voltage systems and vendor installation (low-voltage items) excepting cabling, at a total cost not to exceed \$432,973, which is based on the low-voltage items cost if fully expended and includes interest if fully amortized. The cost for the low-voltage items will either be paid in a lump sum payment of \$369,600 or amortized over five years at 8 percent interest per annum. The cost for the low-voltage items is in addition to the rental costs payable to the Landlord.
5. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the terms of the proposed lease, and to implement and effectuate the terms of the proposed lease, including, without limitation, exercising any of the expansion space options to lease up to an additional 4,000 square feet of office space and additional parking spaces and reimburse Landlord the costs for cabling and related low-voltage items if needed for the expansion space and the costs of direct internet access if provided by the Landlord per the rate sheet provided by Landlord and the level of internet service requested by the County. The expansion space option is subject to the PD obtaining budget approval for additional office space and the availability of office space within the proposed building.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed 6,000 square feet of office space and 35 on-site parking spaces at 6464 Sunset Boulevard, Los Angeles (Premises) will allow the PD to relocate their Mental Health office (Department 95), which is currently located at the Metropolitan Courthouse (Metro Court) located at 1945 South Hill Street, Los Angeles. The Premises will be occupied by 35 employees.

On November 14, 2019 the CEO entered into a two-month lease, using delegated authority, including 12 parking spaces at a reduced monthly rent, commencing November 14, 2019. The temporary lease allowed early entry for 12 PD employees who lost their first-floor office space at Metro Court, and will be replaced by the proposed longer eight-year lease upon approval by the Board of Supervisors.

The relocation is necessitated by the recent opening of the Mental Health Courthouse located at 5935 Hollywood Boulevard, Los Angeles (Court) that does not have sufficient space to accommodate the PD. The proposed Premises is in close proximity to the Court allowing the PD to function effectively in providing services to their mentally ill clients who are vulnerable and involved in the justice system.

The available co-working spaces in the Hollywood area were assessed and determined to be more expensive and less optimal, operationally for the PD, given the confidentiality and privacy needs of the office in providing legal services to mentally ill clients. In addition, parking is generally not provided by the co-working office space provider and will have to be acquired separately, at market rates. In contrast, the proposed Premises (i) are in move in condition and satisfies the PD's needs other than the low-voltage costs, (ii) are conducive to the confidentiality required for the PD's work and (iii) provide permanent work space for those staff who are housed in the location on a permanent basis. The shared co-working office space is not conducive to the PD's need for confidentiality, secure case file storage and parking needs.

Approval of the recommended actions will find that the proposed lease is exempt from CEQA and will allow the PD to operate at the proposed facility.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal 3 of *"Realize Tomorrow's Government Today"* provides 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. This proposed lease supports this goal with an office that provides proper accommodations that are centrally located for providing direct services to clients and supportive services to the Court. The proposed lease is in conformance with the Asset Management Principles as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease will have the following financial impact:

- Base rent increases annually on a set schedule. Due to the extremely tight Hollywood market and high demand for office space in this area, the Landlord required annual pre-determined increases ranging from 2.19 percent to 6.37 percent per annum (which average 4.55 percent per annum).
- The parking rent is subject to periodic prevailing parking rate increases posted at the building.

- The Landlord will install cabling for the County at a cost not to exceed \$26,650 and paid in a lump sum payment to the Landlord upon lease commencement. The cabling costs are in addition to the low-voltage items paid to ISD.
- The County will pay \$369,600 for the lump sum cost of the low-voltage items. If the PD elects to pay in installments, this amount will be amortized over five years with interest at 8 percent for a fully amortized amount, not to exceed \$432,973.
- The proposed lease is on a full service gross basis, whereby the Landlord is responsible for all operating, utilities, janitorial, and maintenance cost of the building and Premises.
- The County shall pay the Landlord \$2,400 per year as the Riser Fee for two fiber optic connections. The County may reduce, or request additional connections, at a cost of \$1,200 per year for each additional connection, at a total cost not to exceed \$4,800 per year.
- The initial parking rent is \$52,500, per year, i.e., \$125 per month for each unreserved parking space. The parking rent (35 spaces) is subject to periodic posted rate increases. The County may increase the number of parking spaces if needed and if available at the building's posted rate.
- The aggregate costs associated with the proposed lease over the entire term is \$3,793,036, as shown on Attachment B.

The costs for low-voltage items will be paid by the PD. Due to the large number of entertainment tenants in the building, the Landlord controls access and service to its telecom connections, and the risers which contain the telecom connections. Therefore, the Landlord prefers that it provide all cabling in the building and charges a monthly maintenance fee to ensure that service within the riser is operational at all times. The Riser Fee is not a standard cost, but is a requirement in this building. The proposed lease is still recommended because the overall rent is within market range, and the office space works well for the PD.

Additional appropriation will be requested by the CEO in the Rent Expense budget during the Fiscal Year (FY) 2019-20 midyear budget adjustment to cover the proposed rent, County cabling costs which will be billed back the PD. Beginning in FY 2020-21, ongoing funding for costs associated with the proposed lease will be part of the budget for the PD including low-voltage items.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In addition to the terms described herein, the proposed lease includes the following provisions:

- The County does not have the right to terminate the proposed lease early.
- Holdover at the proposed lease expiration is permitted with rent during the holdover period at 125 percent of the last monthly base rent plus all other charges payable under the lease.
- The proposed lease will be effective upon approval by the Board, but the term and rent will commence upon full execution and acceptance of the Premises by the County.
- The Premises is in move-in condition, excepting low-voltage items including cabling and riser connections per the County's specifications for long term occupancy.
- The County can request direct internet access through the Landlord if needed. The County shall reimburse Landlord the cost for said service if used and at a cost based on the Landlord's rate sheet provided.
- The County has the option to lease up to 4,000 square feet of additional office (Expansion Space) including parking, upon giving written notice to the Landlord within five working days after the Landlord's notification to the County confirming availability.

The staff from the Chief Executive Office (CEO) conducted a Costar system search and physical search of the area. The staff also conducted a market search of available office space for lease but was unable to identify any sites that could accommodate this requirement more economically, or a Landlord willing to accept government as part of their tenant portfolio, or a building that meets the County's seismic requirements for County occupancy. Based upon a review of available industry data, it has been established that the annual rental range for comparable space is between \$36 and \$64 per square foot per year. Thus, the base annual rental rate of \$50 per square foot per year for the proposed lease represents a rate that is within the market range for the area. We were unable to identify any sites that could accommodate this requirement more economically. Further, the Hollywood market is extremely tight and in high demand. We recommend the proposed facility as the most suitable to meet the County's space requirements.

Attachment C shows County-owned and leased facilities within the surveyed areas and there are no County-owned or leased facilities available for this space requirement.

The Department of Public Works has inspected the facility and found it suitable for County occupancy. Construction of the tenant improvements will be completed in compliance with relevant building and construction laws and regulations, including the Americans with Disabilities Act.

The required notification letter has been sent to the City of Los Angeles, in accordance with Government Code Section 25351. County Counsel has reviewed the attached proposed lease and has approved it as to form.

The proposed lease will provide a suitable office location for the PD's Mental Health office, 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 CEO has concluded that this project 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 proposed lease involves only negligible interior installation of low-voltage items to an existing office building, there shall be no additions to an existing structure nor to the existing office building. This proposed lease 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. In addition, based on the proposed project 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)

The proposed lease will adequately provide the necessary office space, and parking spaces for this County requirement. The PD concurs with the proposed lease.

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,

SACHI A. HAMAI
Chief Executive Officer

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

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Internal Services
Public Defender

**PUBLIC DEFENDER
6464 SUNSET BOULEVARD, LOS ANGELES, CALIFORNIA**

Asset Management Principles Compliance Form⁽¹⁾

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 No, it is 171 sf per person. Offices are shared because many staff are at the courthouse representing clients for a good portion of the day.			X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ² No, it is higher at approximately 6/1000 sq. ft. due to the need for the PD employees to travel to and from the Courthouse throughout the day on a daily basis.			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?		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?				
F	Is Building Description Report attached as Attachment C?		X		
G	Was build-to-suit or capital project considered?				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?				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. <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?		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?					

**PUBLIC DEFENDER
SPACE SEARCH – 3 MILE RADIUS
5935 HOLLYWOOD BOULEVARD
LOS ANGELES SEARCH AREA**

LACO	Name	Address	Ownership	Property Use	Gross Sq. Ft.	Net Sq. Ft.	Available Sq. Ft.
A674	DMH - Hollywood Wellness Center	5000 W Sunset Blvd Los Angeles 90027	Leased	Office	6921	6642	NONE
A140	DMH - Hollywood FSP	947 Cole Ave Los Angeles 90038	Leased	Office	6500	6175	NONE

FACILITY LOCATION POLICY ANALYSIS

Proposed lease: Eight-year lease for the Public Defender – 6464 Sunset Boulevard, Los Angeles – 3rd District.

A. Establish Service Function Category – The PD provides legal services to their mentally ill clients who are involved in the justice system, vulnerable and experiencing multiple issues.

B. Determination of the Service Area – The proposed lease will provide the PD in close proximity to the Hollywood Mental Health Courthouse.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: The proposed facility is in close proximity to the Mental Health Courthouse located at 5935 Hollywood Boulevard, Los Angeles.
- 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, i.e. Metro.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities. N/A
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: This will be a County leased facility available to meet the Department's ongoing service needs.
- Compatibility with local land use plans: The City of Los Angeles has been notified of the proposed County use which is consistent with its use and zoning for office space at this location.

- Estimated acquisition/construction and ongoing operational costs: The initial annual base rent of \$301,200 i.e., approximately \$4.18 per square foot per month, the annual parking rent of \$52,500, the annual fiber connection riser fee of \$2,400 plus the maximum lump sum cost of the cabling costs of \$26,650, total approximately \$382,750 over the first year of the lease. The proposed lease costs are 100 percent net County costs.

D. Analyze results and identify location alternatives

The Chief Executive Officer (CEO), conducted a market search of available office space for lease but was unable to identify any sites that could accommodate this requirement more economically or a Landlord willing to lease office space to the County and accept the County's lease template without making extensive edits, or a building that meets the County's seismic requirements for County occupancy. Based upon a review of available industry data, it has been established that the annual rental range for comparable space is between \$36 and \$64 per square foot per year. Thus, the base annual rental rate of \$50 per square foot per year for the proposed lease represents a rate that is within the market range for the area. We were unable to identify any sites that could accommodate this requirement more economically. Further, the Hollywood market is extremely tight and in high demand. We recommend the proposed facility as the most suitable to meet the County's space requirements.

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

The proposed lease will provide adequate and efficient office space for 35 employees and clients consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012. There are no available buildings in the area that meet Department requirements.

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

OPS CLUSTER AGENDA REVIEW DATE	12/18/2019	
BOARD MEETING	1/7/2020	
SUPERVISORIAL DISTRICT AFFECTED	All Districts	
DEPARTMENT	Internal Services	
SUBJECT	Request for Approval to adopt, advertise, award and execute 23 Job Order Contracts	
PROGRAM	N/A	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
DEADLINES/ TIME CONSTRAINTS	Annual contracts to replace expiring contracts	
COST & FUNDING	Total cost: \$117.3 Million	Funding source: Sufficient appropriation for the recommended contracts is included in ISD's Fiscal Year 2019-2020 Adopted Budget and sufficient appropriation will be requested in future years. Expenditures will be offset through billings to County departments.
	TERMS (if applicable): 1 year	
	Explanation: N/A	
PURPOSE OF REQUEST	Request approval to adopt, advertise, award and execute 23 Job Order Contracts	
BACKGROUND (include internal/external issues that may exist)	N/A	
DEPARTMENTAL AND OTHER CONTACTS	Name, Title, Phone # & Email: • Mike Eugene, General Manager, 323-267-2107, meugene@isd.lacounty.gov	



SCOTT MINNIX
Director

County of Los Angeles
INTERNAL SERVICES DEPARTMENT

1100 North Eastern Avenue
Los Angeles, California 90063

"Trusted Partner and Provider of Choice"

Telephone: (323) 267-2101
FAX: (323) 264-7135

January 7, 2020

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:

**AWARD 23 JOB ORDER CONTRACTS
FOR MAINTENANCE, REPAIR, REMODELING AND REFURBISHMENT
OF COUNTY INFRASTRUCTURE AND FACILITIES,
ADOPT AND ADVERTISE VARIOUS SPECIFICATIONS
(ALL DISTRICTS - 3 VOTES)**

SUBJECT

This action is to make necessary environmental findings; adopt the Job Order Contract Construction Task Catalog and Specifications; approve for advertisement bids to be received; authorize the Director of Internal Services Department, or his designee, to award and execute twenty-three separate Job Order Contracts to the lowest responsive and responsible bidders; and approve the issuance of work orders for projects not subject to the State Public Contract Code.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the adoption of the Job Order Contract Construction Task Catalog and Specifications, approval for advertisement for bids and the proposed award of Job Order Contracts are not a project under the California Environmental Quality Act, and issuance of work orders for projects that are within the scope of the previous exemption findings under the California Environmental Quality Act, for the reasons stated in this letter and in the record of the proposed action.
2. Adopt the January 2020 Job Order Contract Construction Task Catalog and Specifications.
3. Instruct the Executive Officer of the Board to advertise for bids to be received and Internal Services Department to open bids on January 29, 2020 for twenty-three

separate Job Order Contracts in accordance with the Instruction Sheet for Publishing Legal Advertisements (Attachment I).

4. Authorize the Director of Internal Services Department, or his designee, to award and execute ten (10) general and thirteen (13) specialty Job Order Contract agreements: three electrical, six heating, ventilating, and air conditioning, two plumbing, and two roofing, in the form previously approved by County Counsel, and to establish the effective date following receipt of approved Faithful Performance and Payment for Labor and Materials Bonds and insurance certificate filed by the contractors. Agreements JOC156, JOC157, JOC158, JOC159, JOC160, JOC161, JOC162, JOC163, JOC164, JOC165, EJOC45, EJOC46, EJOC47, HVAC JOC7, HVAC JOC8, HVAC JOC9, HVAC JOC10, HVAC JOC11, HVAC JOC12, PLUMB JOC4, PLUMB JOC5, ROOF JOC5 and ROOF JOC6, are each for a not-to-exceed amount of \$5.1 million. The aggregate not-to-exceed amount of the twenty-three Job Order Contract's is \$117.3 million.
5. For each of the twenty-three Job Order Contracts, authorize the Director of Internal Services Department, or his designee, to make the determination that a bid is nonresponsive and to reject a bid on that basis, to award to the next lowest responsive and responsible bidder; and to waive inconsequential and non-material deficiencies in bids submitted, in accordance with the bid specifications.
6. Authorize the Director of Internal Services Department or his designee, to issue work orders for projects including repair, remodeling and refurbishment work, in an amount not to exceed \$75,000 per work order, subject to the limitation that the aggregate amount of all work orders issued under a particular JOC does not exceed the \$5.1 million not-to-exceed contract amount of the JOC.
7. For each of the twenty-three Job Order Contracts, authorize the Director of Internal Services Department, or his designee, to issue work orders for the Program and Project Management Facility Reinvestment Program projects including maintenance work, as applicable, in an amount not-to-exceed \$5.1 million per work order, subject to the limitation that the aggregate amount of all work orders issued under a particular Job Order Contract does not exceed the \$5.1 million contract amount of the Job Order Contract.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of the recommended actions will make necessary findings under the California Environmental Quality Act (CEQA) and authorize the Director of Internal Services Department (ISD), or his designee, to adopt the January 2020 Job Order Contract Construction Task Catalog and Specifications, advertise for bids, open bids, award and execute twenty-three Job Order Contract agreements, and issue work orders.

The twenty-three Job Order Contracts (JOC) requested will be utilized by Program and Project Management (P&PM) and Alterations and Improvements (A&I) Divisions of ISD Facilities Operations Service (FOS) to complete Facility Reinvestment Program (FRP) projects and client department funded capital projects, maintenance and renovation projects.

The JOC capacity sought to deliver the projects included within the FRP by the P&PM Division is \$61.2 million. These projects include those approved on the May 28, 2019 Board letter (Cohort #1) and those on a forthcoming (Cohort #2) Board Letter that will be submitted later in the fiscal year.

The JOC capacity sought to be utilized by the A&I Division is \$56.1 million and is to support client department needs for a one-year period. This annual value is based on current projects and projected workload data.

JOCs are a competitively procured, flexible, cost-effective unit price contracting method used by ISD to accomplish maintenance, repair, refurbishment, remodeling, and alteration of County infrastructure and facilities without extensive plans and specifications. The State Public Contract Code (PCC) provides that JOCs are annual contracts that may be awarded for repair, remodeling, refurbishment, or other repetitive work, but not for new construction. The JOC delivery method reduces administrative requirements and lowers direct construction costs while meeting all federal, State, and County procurement requirements. The recommended JOCs will augment ISD's ability to effectively and efficiently maintain, repair (including emergency repairs), refurbish and remodel County infrastructure and facilities.

ISD will utilize Board-approved as-needed consultants for design/engineering services to aid in completion of projects. JOCs and in-house crafts (subject to the "Force Account" limits set forth in the State PCC) will be utilized to complete maintenance, repair, and refurbishment and remodel projects. ISD will obtain the necessary jurisdictional approvals as required for the proposed projects.

ISD FOS has initiated a five-year project planning and execution program that coincides with the Chief Executive Office's (CEO) five-year funding plan to identify FRP projects, including "Force Account" work that may necessitate increasing the capacity of crafts staff. In addition to the FRP projects, all other work for projects costing less than the statutory "Force Account" limit of \$50,000 will have work performed by in-house crafts staff, except in circumstances such as timeline conflicts, capacity, project complexity etc. that would require ISD to use a contractor. Of the 189 FRP projects in Cohort 1, ISD is delivering 151. Of the 151 ISD projects in Cohort 1, ISD in-house crafts is currently delivering (in whole or in part) 49 projects, or 32% of the Cohort.

Implementation of Strategic Plan Goals

This action meets the County's Strategic Plan Goal No. III, Realize Tomorrow's Government Today, Strategy III.3 - Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability. Continually assess our efficiency and effectiveness, maximize and leverage resources, and hold ourselves accountable.

FISCAL IMPACT/FINANCING

Maintenance, repair, refurbishment, remodeling, and alteration work will be funded through the appropriate maintenance, capital, refurbishment, or infrastructure project budgets. ISD's Fiscal Year (FY) 2019-20 Adopted Budget includes \$100.3 million in appropriation for JOC expenditures. The new capacity sought in A&I and P&PM plus the current JOC capacity equal \$137.7 million, an increase of \$37.4 million from the FY 2019-20 Adopted Budget. Because the agreements cross fiscal years, ISD will request adequate appropriation in the FY 2020-21 budget submission. ISD will only incur JOC expenditures to the extent that they are offset through CEO, County department and contract city billings and within available appropriation. There are no minimum obligations on these contracts.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Board's Civic Art Policy, last amended on August 11, 2015, is exempt from allocation to the proposed contracts as this action does not approve any specific capital improvement or refurbishment project.

Approval of the recommended actions will delegate authority to the Director of ISD, or his designee, to issue work orders for projects including maintenance work, as applicable, in an amount not-to-exceed \$5.1 million per work order, subject to the limitation that the aggregate amount of all work orders issued under a particular JOC does not exceed the \$5.1 million contract amount of the JOC.

ISD will seek advance approval from the Board to issue JOC work orders for any such project that exceeds \$75,000. For all projects to be executed by the A&I Division that exceed \$75,000, project specific Board approval will be requested. Approval to execute all FRP projects which exceed \$75,000 by the P&PM Division was requested and approved by the Board on the May 28, 2019 board letter (Cohort #1). CEO is drafting a new Board Letter to support a forthcoming (Cohort #2), that will be submitted later in the fiscal year.

Pursuant to Board Motion adopted on October 31, 2017, ISD will provide Board notification, one week in advance, for all work orders more than \$150,000 on projects that are not subject to the State PCC, unless prohibited by law, regulation or funding source.

PCC Section 20128.5 allows an individual JOC to have a single year term and a maximum value of \$5.1 million per JOC. A 1997 amendment to the State PCC allows annualized increases in the maximum contract value, based on the California Consumer Price Index.

The terms and conditions of the recommended contracts will be approved as to form by County Counsel prior to execution and will contain the Board's required contract provisions including those pertaining to consideration of qualified County employees targeted for layoffs as well as qualified GAIN/GROW participants for employment openings, compliance with the Jury Service Program, Safely Surrendered Baby Law, the Child Support Compliance Program, Defaulted Property Tax Reduction Program, Countywide Local and Targeted Worker Hiring Policy, and County Preference Programs. The JOC agreements are not Proposition "A" contracts and therefore are not subject to the County's Living Wage Program.

Data regarding the bidders' minority participation will be on file with ISD. The contractors will be selected upon final analysis and consideration without regard to race, creed, gender, or color.

The General Conditions and January 2020 Construction Task Catalog and Specifications include the contractual provisions, methods, and material requirements necessary for these projects are on file with ISD. For JOC projects involving repair or alteration of County buildings, if the cost of the work exceeds \$50,000, such project must be performed via a competitively-procured construction contract, not by County employees, due to the "Force Account" limitations set forth in the PCC.

ENVIRONMENTAL DOCUMENTATION

The recommended actions, to adopt the JOC Construction Task Catalog and Specifications, advertise for bids and award of JOCs, are not a project under California Public Resources Code section 21065 and are excluded from the definition of a project under Section 15378 (b)(4) and (5) of the State CEQA Guidelines, because they involve the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment or are organizational or administrative activities of government which will not result in direct or indirect physical changes in the environment.

Issuance of work orders for projects not subject to the State Public Contract Code are within the scope of the findings of exemption as determined by your Board on May 1, 2018 and May 28, 2019. The scope of projects includes alterations, renovations, repair and refurbishment of existing facilities. The approved work was determined to be exempt under Sections 15301(a),(d), and (l) and 15302 (b) and (c) of the State CEQA Guidelines and Classes 1(c), (d), (h), (i), (j), (l) and (m) and 2 (a), (b) and (e) of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G because

the projects involved maintenance and repair of existing facilities and structures with negligible or no expansion of existing use; and replacement of existing facilities or components at the same site with facilities of substantially the same purpose and capacity.

For all other work orders to be issued under the twenty-three JOCs, the work is similarly anticipated to meet the requirements for categorical exemption under CEQA since the proposed work will consist of the repair and building system replacement projects at County buildings and facilities with negligible or no expansion of use and where replacement facilities or components will have the same purpose and capacity.

As work orders are proposed under the twenty-three approved JOCs for work not previously found to be exempt under CEQA, ISD will review each proposed activity and make determination whether exemptions apply at the time of the issuance of work orders. ISD will return to the Board to recommend CEQA findings and approval of issuance of individual work orders for any work which is not exempt, prior to the commencement of any such work.

Upon the Board's approval of the recommended actions, ISD will file a Notice of Exemption with the County Clerk in accordance with section 21152 of the California Public Resources Code.

CONTRACTING PROCESS

The Executive Officer of the Board will advertise the JOC invitation for bids in various publications throughout the County of Los Angeles. Additionally, ISD will post the invitation for bids on the County's "Doing Business with Us" web site.

The recommended JOCs will be solicited on an open-competitive basis and in accordance with applicable federal, State, and County requirements. The County will award contracts to the lowest responsive and responsible bidder pursuant to the State PCC.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The use of these contracts will expedite the completion of maintenance, repair, refurbishment, remodeling and alteration of County infrastructure and facilities work managed by ISD. Limited impacts to tenant departments may occur while maintenance, repair, refurbishment, remodeling and alteration of County infrastructure and facilities work is underway.

There is no employee impact. JOCs are intended to augment, but not replace the County workforce, and to ensure our ability to respond to emergent requirements.

CONCLUSION

Please return one adopted copy of this Board letter to the ISD Facilities Operations Service.

Respectfully submitted,

Scott Minnix
Director

SM:SH:ME:lc

Enclosures

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

ATTACHMENT I

INTERNAL SERVICES DEPARTMENT: AWARD 23 JOB ORDER CONTRACTS FOR MAINTENANCE, REPAIR, REMODELING AND REFURBISHMENT OF COUNTY INFRASTRUCTURE AND FACILITIES, ADOPT AND ADVERTISE VARIOUS SPECIFICATIONS, (ALL DISTRICTS - 3 VOTES)

PUBLISHING LEGAL ADVERTISEMENTS: In accordance with the State of California Public Contract Code Section 20125, you may publish once a week for two weeks in a weekly newspaper, or ten times in a daily newspaper. However, the first publication must appear at least 10 days prior to the bid opening date. Forward three reprints of this advertisement to the County of Los Angeles, Internal Services Department, Facilities Operations Service, Alterations & Improvements Division, 1100 N. Eastern Avenue, Los Angeles, California 90063.

OFFICIAL NOTICE INVITING BIDS

Notice is hereby given that Internal Services Department (ISD) will receive sealed bids for furnishings, materials, labor, and equipment required to complete construction for the following work:

BID DEADLINES

<u>SPECS.</u>	<u>PROJECT</u>	<u>BID DOC. FEE</u>	<u>DATE</u>	<u>TIME</u>
JOC Specs.	JOC 156	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs	JOC 157	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs	JOC 158	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs	JOC 159	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs	JOC 160	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs.	JOC 161	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs	JOC 162	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs	JOC 163	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs	JOC 164	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs	JOC 165	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs	EJOC 45	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs	EJOC 46	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs	EJOC 47	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs	HVAC JOC7	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs	HVAC JOC8	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs	HVAC JOC9	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs	HVAC JOC10	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs	HVAC JOC11	\$75.00 each	1/29/2020	9:00 a.m.

JOC Specs	HVAC JOC12	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs	PLUMB JOC4	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs	PLUMB JOC5	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs	ROOF JOC5	\$75.00 each	1/29/2020	9:00 a.m.
JOC Specs	ROOF JOC6	\$75.00 each	1/29/2020	9:00 a.m.

Copies of the project manual and technical specifications may be obtained at or after the **mandatory** Pre-bid Conference located at 1100 N. Eastern Avenue, Los Angeles, California, 90063 for the fee stated above (cash or check only to ISD's Cashier Office). It is **required** that the pre-bid conference be attended by the **President or Owner** of each Bidder only, the Bidder **must** submit to the County the Articles of Incorporation or a notarized document identifying the attendee as President or Owner within 24 hours after the conference. In County's sole discretion, failure to comply with the requirement of this Article may be a basis to reject the bid as nonresponsive.

Each bid shall be submitted on the required form sealed and filed at the Bid Office located at the first floor of 1100 N. Eastern Avenue, Los Angeles, CA 90063 no later than 9:00 a.m. on the date indicated above. Bids will be publicly opened by ISD Job Order Contract (JOC) Administration approximately 15 minutes following the deadlines for submission of bids stated above in Conference Room G101, 1100 N. Eastern Avenue, Los Angeles, CA 90063. For bid information, please call (323) 267-3129.

Bidders must comply with the provisions of the Bidding Requirements and General Conditions concerning bid guarantee, contract bonds, and insurance requirements. Contractors bidding the following General JOC Contract (JOC156, JOC157, JOC158, JOC159, JOC160, JOC161, JOC162, JOC163, JOC164 and JOC165) are to possess an "A" license at time of bid. Contractors bidding the Electrical JOC (EJOC45, EJOC46 and EJOC47) are required to possess a "C-10" license at time of bid. Contractors bidding the HVAC JOCs (HVAC JOC7, HVAC JOC8, HVAC JOC9, HVAC JOC10, HVAC JOC11 and HVAC JOC12) are required to possess a "C-20" license at time of bid. Contractors bidding the Plumbing JOC (PLUMB JOC4 and PLUMB JOC5) are required to possess a "C-36" license at time of bid. Contractors bidding the Roofing JOC (ROOF JOC5 and ROOF JOC6) are required to possess a "C-39" license at time of bid. Contractor should verify to his/her satisfaction that he/she holds the correct license for this type of project.

PREBID CONFERENCE

ISD will hold a single **mandatory** pre-bid conference for all the listed JOC contracts/projects at 9:00 a.m. on January 22, 2020, Conference Room G101 at 1100 N. Eastern Avenue, Los Angeles, CA 90063 to provide information on the JOC, bidding process, and answer any questions that potential bidders may have. It is **required** that the pre-bid conference be attended by the **President or Owner** of each Bidder only, the Bidder **must** submit to the County the Articles of Incorporation or a notarized document identifying the attendee as President or Owner within 24 hours after the conference. In County's sole discretion, failure to comply with the requirement of this Article may be a basis to reject the bid as nonresponsive. For further directions, please contact Ms. Sue Chang at (323) 267-3129 or Ms. Lolitta Cheung at (323) 267-2243.

OTHER INSTRUCTIONS

The County supports and encourages equal opportunity contracting. The contractor shall make good faith efforts, as defined in Section 2000 of the State Public Contract Code, relating to contracting with Community Business Enterprises.

The Board of Supervisors reserves the right to reject any or all bids or to waive technical errors and discrepancies in bids submitted in the public's interest.

Si necesita información en español, por favor llame al telefono (323) 267-2344.



Upon 72 hours' notice, ISD can provide program information and publication in alternate formats or make other accommodations for people with disabilities. In addition, program documents are available at our office in Los Angeles (1100 N. Eastern Avenue, Los Angeles), which is accessible to individuals with disabilities. To request accommodations ONLY, or for more ADA information, please contact our departmental ADA Coordinator at (323) 881-4599 or (323) 267-2445, Monday through Thursday, from 7:00 a.m. to 5:30 p.m.



Con 72 horas de notificación, ISD puede proporcionar información y publicaciones sobre el programa y formas alternas o hacer otras comodidades para gente incapacitada. Además, documentación sobre el programa está disponible en nuestra oficina principal en Los Angeles (1100 N. Eastern Avenue, Los Angeles) lo cual es accesible para individuos con incapacidades. Para solicitar comodidades SOLAMENTE, o para mas información del ADA, pongase en contacto con nuestro Coordinador del ADA del departamento al (323) 881-4599 or (323) 267-2432, de Lunes a Jueves de 7:00 a.m. a 5:30 p.m.

By order of the Board of Supervisors of the County of Los Angeles, State of California, dated January 7, 2020.

CELIA ZAVALA, EXECUTIVE OFFICER
OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF LOS ANGELES