



FESIA A. DAVENPORT
Acting Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE OPERATIONS CLUSTER

DATE: October 21, 2020
TIME: 2:00 p.m. – 4:00 p.m.
LOCATION: **TELECONFERENCE CALL-IN NUMBER: (415)655-0001**
TELECONFERENCE ID: 927075833

To join via phone, dial 1(415)655-0001, then press 927075833#, then press # when prompted for attendee number ****IF DIALING IN PLEASE CALL IN AT 1:45 P.M. TO FACILITATE PARTICIPANT CHECK-IN**.**

YOU CAN ALSO JOIN THIS MEETING BY CLICKING ON THE FOLLOWING LINK:

[Join meeting](#)

DUE TO THE CLOSURE OF ALL COUNTY BUILDINGS, MEMBERS OF THE PUBLIC WILL NEED TO CALL IN TO PARTICIPATE IN THE MEETING.

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:
APPROVAL TO DELEGATE AUTHORITY TO AMEND CONTRACT NO. 78831 WITH FAIRFAX IMAGING, INC.
TTC – Keith Knox, Treasurer and Tax Collector and
Elizabeth Buenrostro Ginsberg, Chief Deputy
 - B) Board Letter:
AMENDMENT TO CONTRACT FOR SHORT-TERM DISABILITY, LONG-TERM DISABILITY AND SURVIVOR BENEFITS THIRD-PARTY ADMINISTRATION SERVICES
DHR – Maggie Martinez, Assistant Director

CONTINUED ON PAGE 2

- C) Board Letter:
AMENDMENTS TO MASTER AGREEMENT FOR OCCUPATIONAL
HEALTH MEDICAL EXAMINATIONS, AND AMENDMENT TO MASTER
AGREEMENT FOR OCCUPATIONAL HEALTH MOBILE MEDICAL
EXAMINATIONS
DHR – Maggie Martinez, Assistant Director
- D) Board Letter:
AMENDMENT NUMBER FIVE TO CONTRACT #78079 FOR EMPLOYEE
DRUG AND ALCOHOL TESTING PROGRAM SERVICES
ADMINISTRATION
DHR – Maggie Martinez, Assistant Director
- E) Board Letter:
HARBOR-UCLA MEDICAL CENTER CAMPUS OPTION AGREEMENT
AND GROUND LEASES WITH THE LUNDQUIST INSTITUTE FOR A
BIOSCIENCE TECHNOLOGY PARK
CEO/RE – Michael Rodriguez, Chief Program Specialist

3. **PRESENTATION/DISCUSSION ITEMS:**

None available.

- 4. **Public Comment**
(2 minutes each speaker)
- 5. **Adjournment**

FUTURE AGENDA TOPICS

CALENDAR LOOKAHEAD:

TTC – RECOMMENDATION TO AWARD A CONTRACT FOR PRINTING,
SORTING, AND MAILING SERVICES TO FINANCIAL STATEMENT
SERVICES, INC. (FSSI)

CEO/CLASSIFICATION – COUNTYWIDE CLASSIFICATION ACTIONS

CEO/RE – APPROVE PARKING FEE WAIVER FOR PROJECT ROOMKEY
STAFF AT AUTO PARK 29

DHS –APPROVAL TO DELEGATE AUTHORITY TO AMEND FOUR
AGREEMENTS WITH CERNER ON A SOLE SOURCE BASIS AND REQUEST
FOR HIRING AUTHORITY

CONTINUED ON PAGE 3

DHS – APPROVAL OF A COST ACCOUNTING AND DECISION SUPPORT SERVICES AGREEMENT WITH STRATA DECISION TECHNOLOGY, LLC

LASD – APPROVAL OF A SOLE SOURCE AMENDMENT TO AGREEMENT NUMBER 77869 WITH IDEMIA IDENTITY AND SECURITY USA, LLC FOR CONTINUED LIVESCAN EQUIPMENT MAINTENANCE AND SUPPORT SERVICES

CEO/CIO – ACCEPT A GRANT AWARD FROM FIRST 5 LA TO SUPPORT THE DEVELOPMENT OF OFFICE OF CHILD PROTECTION'S COUNTYWIDE PROTECTION METRICS

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	10/21/2020	
BOARD MEETING	11/10/2020	
DELEGATED AUTHORITY BOARD LETTER	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SUPERVISORIAL DISTRICT AFFECTED	ALL	
DEPARTMENT	TREASURER AND TAX COLLECTOR	
SUBJECT	REQUEST APPROVAL TO DELEGATE AUTHORITY TO AMEND CONTRACT NO. 78831 WITH FAIRFAX IMAGING, INC.	
PROGRAM	Banking and Remittance Processing	
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
DEADLINES/ TIME CONSTRAINTS	November 2020	
COST & FUNDING	Total cost: \$0.00	Funding source:
	TERMS (if applicable):	
	Explanation: Changes will not impact the current maximum Contract Sum.	
PURPOSE OF REQUEST	Recommendation to delegate authority to the Treasurer and Tax Collector to execute amendments to the Contract to reallocate unused budgeted contract expenditures.	
BACKGROUND (include internal/external issues that may exist)	<p>On July 17, 2018, the Board of Supervisors approved a contract with Fairfax Imaging, Inc., for the provision of a replacement for the TTC's Remittance Processing and Cashiering systems, which went into production January 2020. The TTC has been working with Fairfax to achieve additional operational effectiveness, including the integration of additional scanning equipment and custom software development, which we anticipate will exceed the original Pool Dollar allocation of \$316,000.</p> <p>The existing contract includes budgeted expenditures related to software and hardware maintenance that the TTC will not use. Therefore, the TTC is asking for delegated authority to reallocate the unused support funds to Pool Dollars to cover future enhancements. This will have no impact to the maximum Contract Sum.</p>	
DEPARTMENTAL AND OTHER CONTACTS	<p>Name, Title, Phone # & Email:</p> <ul style="list-style-type: none"> • Keith Knox, Treasurer and Tax Collector (213) 974-0703 kknox@ttc.lacounty.gov • Elizabeth Buenrostro Ginsberg, Chief Deputy (213) 974-0703 eginsberg@ttc.lacounty.gov • Bruce Robert, Assistant Treasurer and Tax Collector (213) 974-7383 brobert@ttc.lacounty.gov 	



KEITH KNOX

TREASURER AND TAX COLLECTOR

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 437
Los Angeles, California 90012
Telephone: (213) 974-2101 Fax: (213) 626-1812
ttc.lacounty.gov and propertytax.lacounty.gov

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

November 10, 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:

TREASURER AND TAX COLLECTOR REQUEST APPROVAL TO DELEGATE AUTHORITY TO AMEND CONTRACT NUMBER 78831 WITH FAIRFAX IMAGING, INC. (ALL DISTRICTS) (3-VOTES)

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

SUBJECT:

The recommended action is the approval of delegated authority to the Department of Treasurer and Tax Collector (TTC) to execute Amendments to Contract Number 78831 (Contract) with Fairfax Imaging, Inc. (Fairfax) related to Contract Sum reallocations to obtain additional hardware, software, and related professional services for the ongoing support and enhancement of the Remittance Processing Replacement System (RPRS).

IT IS RECOMMENDED THAT THE BOARD OF SUPERVISORS:

Delegate authority to the Treasurer and Tax Collector, or his designee, to execute Amendments to the Contract to reallocate unused budgeted contract expenditures, which are related to software and hardware maintenance and support costs that the TTC will not use, to Pool Dollars, with no increase to the maximum Contract Sum, provided that the TTC obtains the approval of County Counsel and the Chief Information Officer prior to the execution of such Amendments.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On July 17, 2018, the Board of Supervisors approved the Contract with Fairfax for the provision of a replacement for the TTC's existing Remittance Processing and Cashiering systems. The new RPRS went into full production on January 23, 2020. The TTC now uses the RPRS to process mail payments for property taxes and payments for a number of County departments and related agencies, including the Department of Animal Care and Control, Fire Department, Department of Probation, Department of Public Health, Department of Public Works, and the County of Los Angeles Superior Court. In addition, the TTC uses RPRS to process walk-in payments made at our cashiering windows in the Kenneth Hahn Hall of Administration.

The TTC has been working with Fairfax to identify areas where we can achieve additional operational effectiveness. This will include the integration of additional scanning equipment to be used during our property tax peak season, as well as custom software development to streamline some of our more complex processes. Anticipated expansion and development costs are expected to exceed the original Pool Dollar allocation of \$316,000. However, there are budgeted contract expenditures related to software and hardware maintenance and support costs that the TTC will not use. Therefore, the Treasurer and Tax Collector is asking for the delegated authority to reallocate these unused maintenance and support funds, as needed, to Pool Dollars to cover future enhancements to RPRS. This will have no impact to the maximum Contract Sum.

Implementation of Strategic Plan Goals

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

FISCAL IMPACT/FINANCING

The maximum Contract Sum for the entire term of the Contract, including Pool Dollars and optional term extensions, is \$4,522,874. Funding for the maximum sum of the entire term of the Contract including Pool Dollars and optional term extensions was obtained from the Committed for TTC Remittance Processing & Mailroom Equipment Account. There will be no impact to the maximum Contract Sum.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

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

The Honorable Board of Supervisors
November 10, 2020
Page 3

Pursuant to California Government Code Section 23005, your Board is authorized to delegate this authority to the Chief Executive Officer or Treasurer and Tax Collector.

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

The Chief Information Office (CIO) has reviewed the Board Letter and recommends approval. The CIO determined that because the recommended action does not include any new technology provisions, no formal CIO Analysis is required.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The approval of the recommended delegation of authority will enable the TTC to proceed with enhancements to the RPRS to increase operational effectiveness.

Respectfully submitted,

Reviewed by:

KEITH KNOX
Treasurer and Tax Collector

WILLIAM S. KEHOE
Chief Information Officer

KK:EG:BR:NK:lc

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

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	10/21/2020	
BOARD MEETING	11/10/2020	
DELEGATED AUTHORITY BOARD LETTER	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SUPERVISORIAL DISTRICT AFFECTED	All Supervisorial Districts	
DEPARTMENT	Department of Human Resources (DHR)	
SUBJECT	Amendment to Contract for Short-Term Disability, Long-Term Disability and Survivor Benefits Third-Party Administration Services	
PROGRAM		
SOLE SOURCE CONTRACT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain why: The current Board-approved contract was the result of a competitive solicitation. There are no extensions available. The extension with the existing contractor is needed to ensure service continuity of these essential and mandated services during the Coronavirus pandemic and pending the effective date of a new contract.	
DEADLINES/ TIME CONSTRAINTS	The agreement will expire on December 31, 2020.	
COST & FUNDING	Total cost: If all options used \$17,258,948	Funding source: The costs for this contract are partially offset by monthly premiums paid by eligible plan participants through payroll deductions.
	TERMS (if applicable):	
	Explanation:	
PURPOSE OF REQUEST	This is a sole source contract extension for up to three years. The services provided under this contract are essential for the County to provide Long Term Disability (LTD) , Short Term Disability (STD) and Survivor Benefit (SB) services to eligible County employees and their beneficiaries in accordance with County policy.	
BACKGROUND (include internal/external issues that may exist)	These contract services were initially provided through the Chief Executive Office, Return to Work (RTW). On March 29, 2016 the contract was transferred with RTW to the DHR Leave management Unit. Contract services provide third-party administration services to process employee LTD and SB claims, and to process STD claims for eligible MegaFlex employees. Due to the uncertainty of the timeline and continuing impact of the Coronavirus pandemic, extension of the current contracts will enable the current partnership with Sedgwick Claims Management Services, Inc. to ensure all critical services are timely received while addressing the unprecedented impact and challenges presented by the Coronavirus pandemic. Further, it will allow a replacement solicitation to be conducted at a time when impact to underlying services (e.g., medical, legal, etc.) and County's finances have stabilized, when any "new normal" service requirements and service deliveries are more defined and known, and will result in a solicitation which is more efficient and cost-effective.	
DEPARTMENTAL AND OTHER CONTACTS	Name, Title, Phone # & Email: <ul style="list-style-type: none"> • Maggie Martinez, Assistant Director • (213) 351-2921, mmartinez@hr.lacounty.gov 	



LISA M. GARRETT
DIRECTOR OF PERSONNEL

COUNTY OF LOS ANGELES

DEPARTMENT OF HUMAN RESOURCES

HEADQUARTERS
579 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-2406 FAX (213) 621-0387

BRANCH OFFICE
3333 WILSHIRE BOULEVARD • LOS ANGELES, CALIFORNIA 90010
(213) 738-2211 FAX (213) 637-0820

November 10, 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:

AMENDMENT TO CONTRACT FOR SHORT-TERM DISABILITY, LONG-TERM DISABILITY AND SURVIVOR BENEFITS THIRD-PARTY ADMINISTRATION SERVICES (ALL DISTRICTS - 3 VOTES)

SUBJECT

Approve amendment to extend the contract with Sedgwick Claims Management Services, Inc. (Sedgwick) for three (3) one-year options to provide third-party administrative services for the County of Los Angeles (County) Leave Management Program (Program). The Program provides benefits for Short-Term Disability (STD), Long-Term Disability (LTD) and Survivor Benefits (SB) to eligible County employees.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and instruct the Chair to sign the attached amendment (Attachment I) to the Contract with Sedgwick (Contract No. 78290) for up to three (3) one-year extensions, effective January 1, 2021 through December 31, 2023.
2. Authorize an increase in the total Contract base cost from \$10,605,300 to \$17,258,948, a \$1,855,008 increase for the first one-year optional extension period annual fees (calendar year 2021), a \$1,910,664 increase for the second one-year optional extension period annual fees (calendar year 2022), and a \$1,967,976 increase for the third one-year optional extension period annual fees (calendar year 2023).
3. Delegate authority to the Director of Personnel, or her designee, to exercise the one-year renewal options to the Contract.

To Enrich Lives Through Effective and Caring Service

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The County has utilized the services of a third-party administrator since 1987 to process employee LTD and SB claims, and since 1991 to process STD claims for eligible MegaFlex employees. These services are provided through DHR's Disability Benefits Unit which is responsible for the administration and operations of the County's STD, LTD, and SB plans, and ensuring full benefits to eligible County employees and their beneficiaries.

Sedgwick is currently working with the County to ensure the critical Program services and benefits are timely completed and processed despite the Coronavirus pandemic's impact to the availability of various underlying and related services (e.g., medical, legal, etc.) and Program operations. The County and Sedgwick continue to work closely together, navigating the Coronavirus' impact on the ability of Program participants to timely access and obtain necessary services and provide required documentation to the County; various modifications and adjustments are being made to the Program administration on an as-needed basis as directed by the Chief Executive Office (CEO). CEO, the Department of Human Resources (DHR) and Sedgwick have and continue to partner together during this unprecedented time, resulting in all critical services being maintained, and Program participants, their dependents and beneficiaries timely and seamlessly receiving their Program benefits.

Due to the uncertainty of the timeline and continuing impact of the Coronavirus pandemic, extension of the current contract will enable the current partnership to continue and all critical services and Program benefits continue without disruption while addressing the unprecedented impact and challenges presented by the Coronavirus pandemic. Further, it will allow a replacement solicitation to be conducted at a time when impact to underlying services (e.g., medical, legal, etc.) and the County's finances have stabilized, when any "new normal" service requirements and service deliveries to be included in the replacement contract are more defined and known, and will result in a solicitation which is more efficient and cost-effective.

Implementation of Strategic Plan Goals

The recommended actions support the County's Strategic Plan Goal III.3 (Operational Effectiveness, Fiscal Responsibility, and Accountability) by ensuring that eligible County employees receive the disability benefits they are entitled to in a timely and efficient manner. The Contract will ensure that claims are processed in a fiscally responsible manner, in accordance with the intended provisions of the County Code.

FISCAL IMPACT/FINANCING

Under the current six-year Contract, Sedgwick is paid fixed annual fees, with 3% increases in the annual fee for Contract Year One through Contract Year Five, and no increase in the annual fee for Contract Year Six. These flat annual fees include all costs incurred by Sedgwick in processing claims, but do not include "pass through" costs for services provided by third-party vendors for performing services such as independent medical

examinations, functional capacity evaluations, vocational evaluations, special investigation unit services, physician advisory services/peer reviews, and second/third-opinion evaluations. The County reimburses Sedgwick for any incurred “pass through” costs of \$250 per claim, with Sedgwick absorbing all incurred costs under \$250 per claim.

The negotiated fixed annual fee for the Contract Year Seven extension period in 2021 is \$1,855,008; this reflects no cost increase from the fixed annual fee for the 2019 and 2020 Contract Years. Contract Year Eight (2022) and Contract Year Nine (2023) each have a 3% increase in the fixed annual fee, as provided for in the Contract.

The costs for this Contract are partially offset by monthly premiums paid by eligible plan participants through payroll deductions. Funding for this Contract is included in the DHR Fiscal Year 2020-21 Final Adopted Budget, and will also be included in the following fiscal year’s budget request.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County’s original Board-approved LTD and Survivor Benefit Plan became effective March 3, 1982 in accordance with Los Angeles County Code, Title 5, Section 5.38, LTD and Survivor Benefit Plan. Effective January 1, 1991, a new, expanded cafeteria benefit plan, the MegaFlex Plan, was implemented. The MegaFlex Plan includes an LTD and STD plan and is referenced in Los Angeles County Code, Title 5, Sections 5.27 and 5.28. The attached amendment has been approved as to form by County Counsel.

This is not a “Proposition A” Contract; therefore, it is not subject to the County Living Wage Ordinance, Los Angeles County Code Chapter 2.201.

CONTRACTING PROCESS

On November 12, 2013, the CEO released a Request for Proposals (RFP). The solicitation was posted on the County’s website, advertisements were placed in numerous newspapers, and notices were sent to three firms who had expressed an interest in receiving the solicitation. In the course of preparing the RFP, the CEO conducted research to obtain a list of possible vendors that were qualified to provide disability claims administration services. It was found that LTD and STD third-party claims administration is a specialized field in which the number of qualified vendors is extremely limited. Most of the firms were located out-of-state, with no regional offices in California, which was a requirement of the Contract. The proposal from Sedgwick was the only proposal received in response to the solicitation.

The current contract with Sedgwick resulted from this solicitation and was executed by the CEO on November 5, 2014. Pursuant to Board approval on October 1, 2019, the contract was extended to December 31, 2020. There are no additional extensions available.

On June 18, 2020, your Board was provided notice of DHR’s intent to negotiate a sole source extension of the current Contract term (Attachment II). The Sole Source Checklist is

attached (Attachment III). Based on the subsequent negotiations with Sedgwick, DHR is recommending three one-year optional term extensions.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact on current services. The recommended action will provide for uninterrupted third-party administration services for STD, LTD and SB claims by eligible County employees.

CONCLUSION

Upon approval by the Board, please return three (3) adopted copies of this Board letter to DHR. It is requested that the Executive Officer notify DHR Administrative Services Division at (213) 974-2407 when the documents are available.

Respectfully submitted,

LISA M. GARRETT
Director of Personnel

LMG:PAM
MGM:LF:MA

Attachments

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

Board Letter_STD-LTD-SB TPA_11-10-20

ATTACHMENT I

**AMENDMENT FIVE TO CONTRACT NO. 78290 FOR PROVISION OF
SHORT-TERM DISABILITY, LONG-TERM DISABILITY AND SURVIVOR BENEFITS
THIRD PARTY ADMINISTRATION SERVICES**

DRAFT

**COUNTY OF LOS ANGELES DEPARTMENT OF HUMAN RESOURCES
SHORT-TERM DISABILITY, LONG-TERM DISABILITY AND SURVIVOR BENEFITS
THIRD PARTY ADMINISTRATION SERVICES
CONTRACT NO. 78290**

AMENDMENT FIVE

This Amendment Five to the Contract for the provision of Short-Term Disability, Long-Term Disability and Survivor Benefits Third Party Administration Services, Contract No. 78290 ("Contract"), is made and entered into on this _____ day of _____ 2020, by and between the County of Los Angeles ("County") and Sedgwick Claims Management Services, Inc. ("Contractor"):

WHEREAS, on November 5, 2014, the County and Contractor entered into the Agreement for Short-Term Disability, Long-Term Disability and Survivor Benefits Third Party Administration Services; and

WHEREAS, the term of the Contract is for up to five (5) years, consisting of an initial three-year term effective January 1, 2015 through December 31, 2017, and two (2) optional one-year extensions through no later than December 31, 2019; and

WHEREAS, on May 18, 2016, the County and the Contractor executed Amendment One to change references to the "Chief Executive Office" and "CEO" to the "Department of Human Resources" and "DHR"; and

WHEREAS, on December 6, 2017, the County and Contractor executed Amendment Two to extend the Contract term for one (1) additional one-year period from January 1, 2018 through December 31, 2018; and

WHEREAS, on December 20, 2018, the County and Contractor executed Amendment Three to extend the Contract term for one (1) additional one-year period from January 1, 2019 through December 31, 2019 and to provide County consent to The Carlyle Group becoming the majority owner of Sedgwick, Inc., the ultimate parent of Sedgwick Claims Management Services, Inc., from its current majority shareholder Kohlberg Kravis Roberts & Co (KKR); and

WHEREAS, on October 1, 2019, the County and Contractor executed Amendment Four to extend the Contract term for one (1) additional one-year period from January 1, 2020 through December 31, 2020; and

WHEREAS, on December 31, 2020, this Contract is set to expire, and the County and Contractor desire to extend the term of this Contract for up to three (3) optional one-year periods through no later than December 31, 2023; and

WHEREAS, this Amendment Five is prepared pursuant to the provisions set forth in Paragraph 8.0, Standard Terms and Conditions, subparagraph 8.1, Amendments and Change Notices;

NOW THEREFORE, County and Contractor mutually agree as follows:

- I. Pursuant to Paragraph 8.0 Standard Terms and Conditions, subparagraph 8.1 (Amendments and Change Notices), the following amendments shall be made to the Contract:
 - A. Paragraph 4.0, Term Of Contract shall be deleted in its entirety and replaced as follows:

“4.0 TERM OF CONTRACT

The term of this Contract (Initial Term) shall commence upon execution by the County’s Board of Supervisors and shall continue through December 31, 2020, unless sooner terminated or extended, in whole or in part, as provided in this Contract.

At the end of the Initial Term, County may at its sole option extend this Contract for up to three (3) additional one-year periods (each an Extended Term), through no later than December 31, 2023. In the event that County elects not to exercise its option to extend at the end of each Extended Term, the remaining options shall lapse. County shall be deemed to have exercised its extension option(s) automatically, without further act, unless, no later than thirty (30) days prior to the expiration of the Extended Term, the Director of Personnel, in his/her sole discretion, notifies Contractor in writing that County elects not to extend the Contract pursuant to this Paragraph 4.0. The Extended Term shall be subject to all terms and conditions and rates quoted for each year of the term of this Contract, as set forth in Exhibit B (Pricing Schedule.)”
 - B. Exhibit B (Pricing Schedule) shall be deleted in its entirety and replaced with revised Exhibit B (Pricing Schedule), which is attached hereto and incorporated herein by reference.
- II. Contractor represents and warrants that the person(s) executing this Amendment Five on behalf of Contractor is an authorized agent who has the actual authority to bind Contractor to each and every term, condition and obligation of this Amendment Five.
- III. Except for the changes set forth herein, all other terms and conditions of the Contract shall remain in full force and effect.

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IN WITNESS WHEREOF, the Contractor has duly executed this Amendment Five to above stated County Contract and the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

COUNTY OF LOS ANGELES

By: _____
Chair, Board of Supervisors

CONTRACTOR:
SEDGWICK CLAIMS MANAGEMENT
SERVICES, INC.

By: _____
Signature

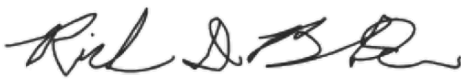
Printed Name

Title

Date

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: 
Richard D. Bloom
Principal Deputy County Counsel

PRICING SCHEDULE CONTRACTOR'S RATES

PROGRAM	MONTHLY FEE PER PROGRAM						
	CONTRACT YEAR 1 (2015)	CONTRACT YEAR 2 (2016)	CONTRACT YEAR 3 (2017)	CONTRACT YEAR 4 (2018)	CONTRACT YEARS 5 - 7 (2019-21)	CONTRACT YEAR 8 (2022)	CONTRACT YEAR 9 (2023)
LTD	\$113,177	\$116,572	\$120,069	\$123,671	\$127,381	\$131,202	\$135,139
SB	\$7,482	\$7,706	\$7,937	\$8,175	\$8,420	\$8,673	\$8,933
STD	\$16,688	\$17,189	\$17,705	\$18,236	\$18,783	\$19,346	\$19,927
TOTAL MONTHLY COST	\$137,347	\$141,467	\$145,711	\$150,082	\$154,584	\$159,222	\$163,998

TOTAL ANNUAL COST – ALL PROGRAMS	\$1,648,164	\$1,697,604	\$1,748,532	\$1,800,984	\$1,855,008	\$1,910,664	\$1,967,976
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Notes:

Prices are firm and fixed for Contract Years 1-9. Costs shall include all costs incurred by Contractor in handling submitted claims, except those performed by third-party vendors, referred to as “pass-through expenses” that are more than \$250. Contractor will pay all such expenses that are less than \$250.

EXHIBIT B

Such pass-through expenses, listed below, must be billed by Contractor to County within three (3) months of the submission of the original invoices to Contractor by the service providers. County will not pay for the allocated expense if invoice is received more than three (3) months following submission of original invoice to Contractor.

- Independent medical examinations/functional capacity evaluations.
- Vocational evaluations
- Special investigation unit services
- Physician advisory services/peer reviews
- Second/third opinion evaluations

**ADVANCE NOTIFICATION OF INTENT TO NEGOTIATE A
SOLE SOURCE CONTRACT EXTENSION WITH
SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.**

DRAFT



LISA M. GARRETT
DIRECTOR OF PERSONNEL

COUNTY OF LOS ANGELES DEPARTMENT OF HUMAN RESOURCES

HEADQUARTERS
KENNETH HAHN HALL OF ADMINISTRATION
500 W. TEMPLE STREET, ROOM 579 • LOS ANGELES, CALIFORNIA 90012
(213) 974-2406 • FAX (213) 621-0387

BRANCH OFFICE
3333 WILSHIRE BOULEVARD • LOS ANGELES, CALIFORNIA 90010
(213) 738-2211 • FAX (213) 637-0821

June 18, 2020

To: Each Supervisor

From: Lisa M. Garrett
Director of Personnel

ADVANCE NOTIFICATION OF INTENT TO NEGOTIATE A SOLE SOURCE CONTRACT EXTENSION WITH SEDGWICK CLAIMS MANAGEMENT SERVICES, INC.

This memorandum is to provide advance notification to your Board that the Department of Human Resources (DHR) intends to enter into a sole source negotiation with Sedgwick Claims Management Services, Inc. ("Sedgwick") to extend the contract for Short-Term Disability (STD), Long-Term Disability (LTD) and Survivor Benefits (SB) Third Party Administration Services ("Contract") for up to three years.

This notice is being sent in accordance with Board Policy 5.100, Sole Source Contracts, which requires County departments that intend to negotiate sole source contracts for Board approval to provide advance written notice to your Board at least six months prior to the expiration of an existing contract, for amendments to existing contracts, when departments do not have delegated authority to execute such amendments, and at least four weeks prior to commencing contract negotiations.

The current Sedgwick contract was executed for the term of January 1, 2015 to December 31, 2019, as the result of a competitive solicitation issued by the Chief Executive Office. On October 1, 2019, a Board-approved amendment extended the expiration date to December 31, 2020. There are currently no additional extensions available.

Contract services provide third-party administration services to process employee LTD and SB claims, and to process STD claims for eligible MegaFlex employees. These contracted services were initially provided through the Chief Executive Office (CEO), Return to Work (RTW); subsequently, on March 29, 2016, the contract was transferred

with RTW to the DHR Leave Management Unit. The DHR Leave Management Unit is responsible for the administration and operation of the County's Workers' Compensation STD, LTD and SB plans to ensure the full provision of benefits to employees of the County's departments and special districts. At the time of the solicitation release for the current contract, a Request for Proposals (RFP) was posted on the County's "Doing Business With Us" website, and advertisements were placed in six newspapers within Los Angeles County. The CEO also conducted research to obtain a list of possible qualified vendors and sent them notice of the RFP. Only one proposal was received, from Sedgwick, which is the current contractor.

Sedgwick is currently working with the County to ensure the critical Program services and benefits are timely completed and processed despite the Coronavirus pandemic's impact to the availability of various underlying and related services (e.g., medical, legal, etc.) and Program operations. The County and Sedgwick continue to work closely together, navigating the Coronavirus' impact on the ability of Program participants to timely access and obtain necessary services and provide required documentation to the County; various modifications and adjustments are being made to the Program administration on an as-needed basis as directed by the Chief Executive Office (CEO). CEO, the Department of Human Resources (DHR) and Sedgwick have and continue to partner together during this unprecedented time, resulting in all critical services being maintained, and Program participants, their dependents and beneficiaries timely and seamlessly receiving their Program benefits.

Due to the uncertainty of the timeline and continuing impact of the Coronavirus pandemic, extension of the current contract will enable the current partnership to continue and all critical services and Program benefits continue without disruption while addressing the unprecedented impact and challenges presented by the Coronavirus pandemic. Further, it will allow a replacement solicitation to be conducted at a time when impact to underlying services (e.g., medical, legal, etc.) and the County's finances have stabilized, when any "new normal" service requirements and service deliveries to be included in the replacement contract are more defined and known, and will result in a solicitation which is more efficient and cost-effective.

Extension of the Sedgwick contract is needed to ensure service continuity during the Coronavirus pandemic and pending the effective date of a new contract. The services provided under this contract are essential for the County to provide STD, LTD and SB services to eligible County employees and their beneficiaries in accordance with County policy. Your Board approved the County's original LTD and Survivor Benefit Plan effective March 3, 1982 in accordance with Los Angeles County Code, Title 5, Section 5.38, LTD and Survivor Benefit Plan. Effective January 1, 1991, a new, expanded cafeteria benefit plan, the MegaFlex Plan, was implemented. The Megaflex Plan includes and LTD and STD plan and is referenced in Los Angeles County Code, Title 5, Sections 5.27 and 5.28.

Each Supervisor
June 18, 2020
Page 3

The Sole Source Checklist for the STD, LTD and SB Plan contract is attached. DHR will proceed with the sole source contract negotiations in four weeks unless instructed otherwise by your Board. Should you have any questions, please contact me at (213) 974-2406 or your staff may contact Maggie Martinez, Assistant Director at (213) 351-2921.

LMG:PAM
MGM:DJ:tdb

Attachment

c: Chief Executive Officer
Executive Officer, Board of Supervisors

Notice of Intent - Sedgwick - 6-12-20

SOLE SOURCE CHECKLIST

Department Name: Department of Human Resources

☐ New Sole Source Contract

☒ Existing Sole Source Contract Date Sole Source Contract Approved November 5, 2014

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>"Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist."</i>
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
✓	<p>➤ Services are needed to address an emergent or related time-sensitive need.</p> <p>Under the existing agreement for Short-Term Disability, Long-Term Disability, and Survivor Benefits Third-Party Administration Services, Sedgwick Claims Management Services Inc. (Sedgwick) provides third-party administration services for the County's Disability Management Program (Program). The Program provides benefits for Short-Term Disability (STD), and Long-Term Disability (LTD), and Survivor Benefits (SB) to eligible County employees. The current contract expires on December 31, 2020 and there are no extensions available.</p>
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
✓	<p>➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.</p> <p>Sedgwick is currently working with the County to ensure the critical Program services and benefits are timely completed and processed despite the Coronavirus pandemic's impact to the availability of various underlying and related services (e.g., medical, legal, etc.) and Program operations. The County and Sedgwick continue to work closely together, navigating the Coronavirus' impact on the ability of Program participants to timely access and obtain necessary services and provide required documentation to the County; various modifications and adjustments are being made to the Program administration on an as-needed basis as directed by the Chief Executive Office (CEO). CEO, the Department of Human Resources (DHR) and Sedgwick have and continue to partner together during this unprecedented time, resulting in all critical services being maintained, and Program participants, their dependents/beneficiaries' timely and seamlessly receiving their Program benefits. Due to the uncertainty of the timeline and continuing impact of the Coronavirus pandemic, extension of the current contract will enable the current partnership to continue and all critical services and Program benefits continue without disruption while addressing the unprecedented impact and challenges presented by the Coronavirus pandemic. Further, it will allow a replacement</p>

	solicitation to be conducted at a time when impact to underlying services (e.g., medical, legal, etc.) and the County's finances have stabilized, when any "new normal" service requirements and service deliveries to be included in the replacement contract are more defined and known, and will result in a solicitation which is more efficient and cost-effective.
	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/ system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ The contractor was selected through a competitive solicitation process conducted by an outside entity (e.g., other municipalities, public agencies, State/federal government or nonprofit organization).
	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

Sheila Williams

Digitally signed by Sheila Williams
DN: cn=Sheila Williams, o=CEO, ou=BOMB,
email=swilliams@ceo.lacounty.gov, c=US
Date: 2020.10.07 09:33:24 -07'00'

Chief Executive Office

Date

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	10/21/2020	
BOARD MEETING	11/10/2020	
DELEGATED AUTHORITY BOARD LETTER	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SUPERVISORIAL DISTRICT AFFECTED	All Supervisorial Districts	
DEPARTMENT	Department of Human Resources (DHR)	
SUBJECT	Amendments to Master Agreement for Occupational Health Medical Examinations, and Amendment to Master Agreement for Occupational Health Mobile Medical Examinations	
PROGRAM		
SOLE SOURCE CONTRACT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain why: The two current Board-approved Master Agreements were the result of competitive solicitations. There are no extensions available. The extensions with the existing contractors are needed to ensure service continuity of these essential and mandated services during the Coronavirus pandemic and pending the effective date of new Master Agreements.	
DEADLINES/ TIME CONSTRAINTS	Both current Master Agreement terms will expire on June 30, 2021.	
COST & FUNDING	Total cost: Services are utilized as needed.	Funding source: Costs incurred are billed to departments utilizing the services.
	TERMS (if applicable): N/A	
	Explanation: Services are provided on an as-needed basis.	
PURPOSE OF REQUEST	These are sole source Master Agreement extensions for 1) Occupational Health Medical Examination Services, and 2) Occupational Health Mobile Medical Examination Services for up to three years.	
BACKGROUND (include internal/external issues that may exist)	The DHR Occupational Health Programs (OHP) coordinates these contracted examination services on behalf of County Departments. Contractors providing the services are currently working with the DHR OHP and various County departments, including safety-sensitive departments such as Sheriff, Fire and Probation, to ensure all critical services are timely received while addressing the unprecedented impact and challenges presented by the Coronavirus pandemic. Further, it will allow replacement solicitations to be conducted at a time when impact to medical provider operations and County's finances have stabilized, when any "new normal" service requirements and service deliveries are more defined and known, and will result in a solicitation which is more efficient and cost-effective.	
DEPARTMENTAL AND OTHER CONTACTS	Name, Title, Phone # & Email: <ul style="list-style-type: none"> Maggie Martinez, Assistant Director (213) 351-2921, mmartinez@hr.lacounty.gov 	



LISA M. GARRETT
DIRECTOR OF PERSONNEL

COUNTY OF LOS ANGELES

DEPARTMENT OF HUMAN RESOURCES

HEADQUARTERS
579 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-2406 FAX (213) 621-0387

BRANCH OFFICE
3333 WILSHIRE BOULEVARD • LOS ANGELES, CALIFORNIA 90010
(213) 738-2084 FAX (213) 637-0820

November 10, 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:

**AMENDMENTS TO MASTER AGREEMENT FOR OCCUPATIONAL HEALTH MEDICAL
EXAMINATIONS, AND AMENDMENT TO MASTER AGREEMENT FOR OCCUPATIONAL
HEALTH MOBILE MEDICAL EXAMINATIONS
(ALL DISTRICTS – 3 VOTES)**

SUBJECT

Approve amendments to the Master Agreement for Occupational Health Medical Examinations and the Master Agreement for Occupational Health Mobile Medical Examinations to provide three additional one-year renewal options through June 30, 2024.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and instruct the Chair to sign the attached amendments to the Master Agreement for Occupational Health Medical Examinations (Attachment II) with Irwindale Industrial Clinic (Contract No. OHME-2013-02), Santa Clarita Valley (SCV) Quality Care (Contract No. OHME-2013-04), Westchester Medical Group (Contract No. OHME-2013-05), and MemorialCare Medical Foundation (Contract No. OHME-2013-03) to provide three additional one-year renewal options through June 30, 2024.
2. Approve and instruct the Chairman to sign the attached amendment to the Master Agreement for Occupational Health Mobile Medical Examinations (Attachment III) with Glendale Adventist Medical Center (Contract No. OHME-MOBILE-01) to provide three additional one-year options through June 30, 2024.
3. Delegate authority to the Director of Personnel, or her designee, to exercise the one-year renewal options for the Master Agreements.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The existing Master Agreement for Occupational Health Medical Examinations and the Master

To Enrich Lives Through Effective and Caring Service

Agreement for Occupational Health Mobile Medical Examinations will expire on June 30, 2021. Approval of these amendments will extend the agreement terms through June 30, 2024 and ensure continuation of in-clinic and mobile occupational health medical examination services to County departments.

These contracted services provide occupational health medical examination services, through in-clinic or mobile delivery to County departments. The services include post-offer/pre-employment medical examinations ("Pre-Placement Examinations"), periodic medical examinations of County employees as required by various regulatory agencies and Fitness for Duty evaluations of County employees ("Periodic Examinations"), and wellness medical examinations of County employees. These services are critical to comply with: 1) Federal and State regulatory requirements for periodic employee exams for commercial drivers and for potential work exposures such as noise, asbestos, hazardous materials, etc., and 2) terms of a negotiated labor contract to provide periodic wellness exams for positions such as Firefighter and Ocean Lifeguard.

The Department of Human Resources (DHR) Occupational Health Programs ("OHP") coordinates these contracted examination services on behalf of County departments. Contractors providing the services are currently working with the DHR OHP and various County departments, including safety-sensitive departments such as Sheriff, Fire and Probation, to ensure critical medical examination services are timely completed despite the Coronavirus pandemic's impact the medical provider operations. Due to the uncertainty of the timeline and continuing impact of the pandemic, extension of the current contracts will ensure all critical services are timely received while addressing the unprecedented impact and challenges presented by the Coronavirus pandemic. Further, it will allow replacement solicitations to be conducted at a time when impact to medical provider operations and County's finances have stabilized, when any "new normal" services requirements and service deliveries are more defined and known, and will result in a solicitation which is more efficient and cost-effective.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

These recommendations support the County's Strategic Plan Goal III.3, (Operational Effectiveness, Fiscal Responsibility and Accountability) by assuring the availability of required employee medical examinations and evaluation services to maximize the effectiveness of the County's operations, employment processes, and employees' wellness.

FISCAL IMPACT/FINANCING

Expenditures under these Master Agreements vary annually. Funds will be expended only when occupational health medical examinations are requested by County departments. Departments are responsible for ensuring the availability of adequate funding prior to requesting medical examinations under the Master Agreements.

There are no changes to the current pricing terms of the Master Agreement for Occupational Health Medical Examinations.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On November 7, 2012, the Board approved the Master Agreement for Occupational Health Medical Examinations and the Master Agreement for Occupational Health Mobile Medical

Examinations and delegated authority to the CEO to execute agreements with qualified vendors. The Master Agreements' initial term was five (5) years, including two one-year option renewals, effective January 1, 2013 through December 31, 2017. Attachment I provides a list of the current Master Agreement Contractors and their approved specialty service areas.

The following various amendments were subsequently executed for these Master Agreements:

In March 2013, Amendment One to the Master Agreement for Occupational Health Medical Examinations with Memorial Occupational Medical Services was executed to correct the legal name of Contractor to Long Beach Memorial Medical Center d.b.a. Memorial Occupational Medical Services.

In September 2014, Amendment One to the Master Agreement for Occupational Health Mobile Medical Examinations with Glendale Adventist Medical Center was executed to expand delivery of the contracted services to include walk-in medical examinations as needed.

When originally executed, the Master Agreements were administered by the CEO Occupational Health Programs. In May 2016, amendments to both Master Agreements were executed with all Master Agreement Contractors to transfer authority from the CEO to DHR for the administration and management of contracts pursuant to the March 29, 2016 Board-approved realignment of County functions.

In September 2017, the Board approved the assignment and delegation of the Long Beach Memorial Medical Center Master Agreement to its affiliate MemorialCare Medical Foundation. Pursuant to Board approvals on September 5, 2017 and October 10, 2019, the Master Agreements will expire on June 30, 2021. There are no further extensions available on either of the Master Agreements.

Services provided under these Master Agreements are provided on an as-needed basis, depending on the needs and requirements of each County department. Consequently, the Contractors have been advised that operating departments have sole discretion in selecting the vendor most appropriate for their needs. No minimum amount of work has been guaranteed.

County Counsel has reviewed and approved the amendments (Attachments II and III) as to form.

CONTRACTING PROCESS

All current Master Agreements resulted from competitive solicitations, and were executed by CEO with qualified vendors pursuant to the Board's November 7, 2012 approval of the Master Agreements and delegated authority to CEO. On June 18, 2020, DHR notified the Board of its intent to negotiate amendments to extend the master agreements (Attachment IV). The sole source checklist is included as Attachment V.

IMPACT ON CURRENT SERVICES

There is no impact on current services. Approval of the recommended actions will allow County departments to continue obtaining required occupational health medical examination services, through in-clinic and mobile delivery, which is critical to performing periodic medical examinations to County employees and maintaining a healthy workforce.

CONCLUSION

Upon approval by the Board, please return two (2) adopted copies of the Board letter and two (2) executed copies of each attached amendment to DHR. It is requested that the Executive Officer notify DHR's Administrative Services Division at (213) 974-2407 when the documents are available.

Respectfully submitted,

LISA M. GARRETT
Director of Personnel

LMG:PAM
MGM:LF:MA

Attachments

c: Chief Executive Officer
County Counsel
Executive Officer

Board Letter - MA OHP Med Exam Extensions - 11-10-20

**MASTER AGREEMENTS FOR
OCCUPATIONAL HEALTH MEDICAL EXAMINATIONS AND
MOBILE OCCUPATIONAL HEALTH MEDICAL EXAMINATIONS**

List of Current Master Agreement Contractors

1. Master Agreement for Occupational Health Medical Examinations

Contractor	<u>Master Agreement Specialty Area</u>		
	Pre-Placement Examinations	Periodic Examinations	Wellness Examinations
Irwindale Medical Group	X	X	X
MemorialCare Medical Foundation	X		X
Santa Clarita Valley (SCV) Quality Care		X	X
Westchester Medical Group	X	X	X

Note: Additional Master Agreement executed with Intercare Medical Group was terminated in 2013 due to closure of facility.

2. Master Agreement for Occupational Health Mobile Medical Examinations

Contractor	<u>Master Agreement Specialty Area</u>		
	Pre-Placement Examinations	Periodic Examinations	Wellness Examinations
Glendale Adventist Medical Center	X	X	

**AMENDMENTS TO MASTER AGREEMENTS FOR
OCCUPATIONAL HEALTH MEDICAL EXAMINATIONS**

DRAFT

**COUNTY OF LOS ANGELES DEPARTMENT OF HUMAN RESOURCES
OCCUPATIONAL HEALTH MEDICAL EXAMINATIONS
MASTER AGREEMENT OHME 2013-02**

AMENDMENT FOUR

This Amendment Four to the Master Agreement for the provision of Occupational Health Medical Examinations Services, OHME 2013-02 ("Master Agreement"), is made and entered into this _____ day of _____, 2020 by and between the County of Los Angeles (hereinafter "County") and Irwindale Industrial Clinic (hereinafter, "Contractor").

WHEREAS, on January 1, 2013, the County and Contractor entered into the Master Agreement for the provision of Occupational Health Medical Examinations; and

WHEREAS, the term of the executed Master Agreement was for up to five (5) years, consisting of an initial three-year term effective January 1, 2013 through December 31, 2015, and two (2) optional one-year extensions through no later than December 31, 2017; and

WHEREAS, on May 17, 2016, the County and Contractor executed Amendment One to change references to the "Chief Executive Office" and "CEO" to the "Department of Human Resources" and "DHR"; and

WHEREAS, on September 5, 2017, the County and Contractor executed Amendment Two to extend the term of this Master Agreement, one year at a time, to not later than December 31, 2019; and

WHEREAS, on October 29, 2019, the County and Contractor executed Amendment Three to extend the term of this Master Agreement for up to one additional one year period and one additional six month period, through no later than June 30, 2021; and

WHEREAS, on June 30, 2021, this Master Agreement is set to expire, and the County and Contractor desire to extend the term of this Master Agreement; and

WHEREAS, Sub-paragraph 9.3 (Amendments) under Paragraph 9 (Change Notices and Amendments) of the Master Agreement provides that, for any change which materially affects the scope of work or any term or condition of the Master Agreement, an amendment to the Master Agreement shall be executed in writing by the Board of Supervisors and Contractor's authorized representative(s);

NOW, THEREFORE, County and Contractor hereby agree to amend the Master Agreement as follows:

1. This Amendment Four shall commence and be effective upon Board of Supervisors approval with such date reflected on page one of this Amendment Four.
2. Subparagraph 4.2 of Paragraph 4 (Term of Master Agreement) of the Master Agreement is deleted in its entirety and replaced as follows:

“4.2 At the end of the Initial Term, County may at its sole option extend this Master Agreement for up to eight (8) additional one-year periods and one additional six-month period (hereafter “Extended Term”), through no later than June 30, 2024. In the event that County elects not to exercise its option to extend at the end of the Initial Term, or the Extended Term, as applicable, the remaining option(s) shall lapse. County shall be deemed to have exercised its extension option(s) automatically, without further act, unless, no later than thirty (30) days prior to the expiration of the Initial Term, or the Extended Term, as applicable, the Director of Personnel, in his/her sole discretion, notifies Contractor in writing that County elects not to extend the Master Agreement pursuant to this Paragraph 4.2. The Extended Term shall be subject to all terms and conditions and rates quoted for each year of the term of this Master Agreement, as set forth in Exhibit B (Pricing Schedule).”

3. In the Master Agreement, including but not limited to Exhibit B (Pricing Schedule for Occupational Health Medical Examinations), all references to “Years 5, 6, 7, 8, and the period of January 1, 2021 through June 30, 2021,” of the Master Agreement, with respect to any “Fees,” “Pricing” and/or “Costs,” are amended to read “Years 5, 6, 7, 8, 9, 10, 11 and the period of January 1, 2024 through June 30, 2024,” and shall be deemed applicable to the Master Agreement from Year 5 through June 30, 2024.
4. Contractor represents and warrants that the person(s) executing this Amendment Four on behalf of Contractor is an authorized agent who has the actual authority to bind Contractor to each and every term, condition and obligation of this Amendment Four.
5. Except for the changes set forth herein, all other terms and conditions of the Contract shall remain in full force and effect.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment Four to be executed on its behalf by its duly authorized officer, the day, month and year first written above.

COUNTY OF LOS ANGELES

By: _____
Chairman, Board of Supervisors

CONTRACTOR:
IRWINDALE INDUSTRIAL GROUP

By: _____
Signature
_____ *John Feldsken* _____
Printed Name

ATTEST:

Celia Zavala, Executive Officer
of the Board of Supervisors

By: _____

_____ *OWNER* _____
Title

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: _____
Richard D. Bloom
Principal Deputy County Counsel

**COUNTY OF LOS ANGELES DEPARTMENT OF HUMAN RESOURCES
OCCUPATIONAL HEALTH MEDICAL EXAMINATIONS
MASTER AGREEMENT OHME 2013-03**

AMENDMENT FIVE

This Amendment Five to the Master Agreement for the provision of Occupational Health Medical Examinations Services, OHME 2013-03 ("Master Agreement"), is made and entered into this 15th day of September, 2020 by and between the County of Los Angeles (hereinafter "County") and MemorialCare Medical Foundation (hereinafter, "Contractor").

WHEREAS, on January 1, 2013, the County and Contractor entered into the Master Agreement for the provision of Occupational Health Medical Examinations; and

WHEREAS, the term of the executed Master Agreement was for up to five (5) years, consisting of an initial three-year term effective January 1, 2013 through December 31, 2015, and two (2) optional one-year extensions through no later than December 31, 2017; and

WHEREAS, on March 21, 2013, the County and Contractor executed Amendment One to amend the legal name of Contractor from "Memorial Occupational Medical Services" to "Long Beach Memorial Medical Center d.b.a. Memorial Occupational Services"; and

WHEREAS, on May 17, 2016, the County and Contractor executed Amendment Two (misabeled Amendment One) to change references to the "Chief Executive Office" and "CEO" to the "Department of Human Resources" and "DHR"; and

WHEREAS, on September 5, 2017, the County and Contractor executed Amendment Three to extend the term of this Master Agreement, one year at a time, to not later than December 31, 2019 and to assign all duties, responsibilities, obligations and performance requirements under this Master Agreement to "MemorialCare Medical Foundation"; and

WHEREAS, on October 29, 2019, the County and Contractor executed Amendment Four to extend the term of this Master Agreement for up to one additional one year period and one additional six month period, through no later than June 30, 2021; and

WHEREAS, on June 30, 2021, this Master Agreement is set to expire, and the County and Contractor desire to extend the term of this Master Agreement; and

WHEREAS, Sub-paragraph 9.3 (Amendments) under Paragraph 9 (Change Notices and Amendments) of the Master Agreement provides that, for any change which materially affects the scope of work or any term or condition of the Master Agreement, an amendment to the Master Agreement shall be executed in writing by the Board of Supervisors and Contractor's authorized representative(s);

NOW, THEREFORE, County and Contractor hereby agree to amend the Master Agreement as follows:

1. This Amendment Five shall commence and be effective upon Board of Supervisors
Master Agreement Amendment Five

approval with such date reflected on page one of this Amendment Five.

2. Subparagraph 4.2 of Paragraph 4 (Term of Master Agreement) of the Master Agreement is deleted in its entirety and replaced as follows:

“4.2 At the end of the Initial Term, County may at its sole option extend this Master Agreement for up to eight (8) additional one-year periods and one additional six-month period (hereafter “Extended Term”), through no later than June 30, 2024. In the event that County elects not to exercise its option to extend at the end of the Initial Term, or the Extended Term, as applicable, the remaining option(s) shall lapse. County shall be deemed to have exercised its extension option(s) automatically, without further act, unless, no later than thirty (30) days prior to the expiration of the Initial Term, or the Extended Term, as applicable, the Director of Personnel, in his/her sole discretion, notifies Contractor in writing that County elects not to extend the Master Agreement pursuant to this Paragraph 4.2. The Extended Term shall be subject to all terms and conditions and rates quoted for each year of the term of this Master Agreement, as set forth in Exhibit B (Pricing Schedule).”

3. In the Master Agreement, including but not limited to Exhibit B (Pricing Schedule for Occupational Health Medical Examinations), all references to “Years 5, 6, 7, 8, and the period of January 1, 2021 through June 30, 2021,” of the Master Agreement, with respect to any “Fees,” “Pricing” and/or “Costs,” are amended to read “Years 5, 6, 7, 8, 9, 10, 11 and the period of January 1, 2024 through June 30, 2024,” and shall be deemed applicable to the Master Agreement from Year 5 through June 30, 2024.
4. Contractor represents and warrants that the person(s) executing this Amendment Five on behalf of Contractor is an authorized agent who has the actual authority to bind Contractor to each and every term, condition and obligation of this Amendment Five.
5. Except for the changes set forth herein, all other terms and conditions of the Contract shall remain in full force and effect.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment Five to be executed on its behalf by its duly authorized officer, the day, month and year first written above.

COUNTY OF LOS ANGELES

By: _____
Chairman, Board of Supervisors

CONTRACTOR:
MEMORIALCARE MEDICAL
FOUNDATION

By: Judy Wheaton Shubin
Signature

Judy Wheaton Shubin
Printed Name

ATTEST:

Celia Zavala, Executive Officer
of the Board of Supervisors

By: _____

VP Managed Care
Title

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: Richard D. Bloom
Richard D. Bloom
Principal Deputy County Counsel

**COUNTY OF LOS ANGELES DEPARTMENT OF HUMAN RESOURCES
OCCUPATIONAL HEALTH MEDICAL EXAMINATIONS
MASTER AGREEMENT OHME 2013-04**

AMENDMENT FOUR

This Amendment Four to the Master Agreement for the provision of Occupational Health Medical Examinations Services, OHME 2013-04 ("Master Agreement"), is made and entered into this _____ day of _____, 2020 by and between the County of Los Angeles (hereinafter "County") and SCV Quality Care (hereinafter, "Contractor").

WHEREAS, on January 1, 2013, the County and Contractor entered into the Master Agreement for the provision of Occupational Health Medical Examinations; and

WHEREAS, the term of the executed Master Agreement was for up to five (5) years, consisting of an initial three-year term effective January 1, 2013 through December 31, 2015, and two (2) optional one-year extensions through no later than December 31, 2017; and

WHEREAS, on May 17, 2016, the County and Contractor executed Amendment One to change references to the "Chief Executive Office" and "CEO" to the "Department of Human Resources" and "DHR"; and

WHEREAS, on September 5, 2017, the County and Contractor executed Amendment Two to extend the term of this Master Agreement, one year at a time, to not later than December 31, 2019; and

WHEREAS, on October 29, 2019, the County and Contractor executed Amendment Three to extend the term of this Master Agreement for up to one additional one year period and one additional six month period, through no later than June 30, 2021; and

WHEREAS, on June 30, 2021, this Master Agreement is set to expire, and the County and Contractor desire to extend the term of this Master Agreement; and

WHEREAS, Sub-paragraph 9.3 (Amendments) under Paragraph 9 (Change Notices and Amendments) of the Master Agreement provides that, for any change which materially affects the scope of work or any term or condition of the Master Agreement, an amendment to the Master Agreement shall be executed in writing by the Board of Supervisors and Contractor's authorized representative(s);

NOW, THEREFORE, County and Contractor hereby agree to amend the Master Agreement as follows:

1. This Amendment Four shall commence and be effective upon Board of Supervisors approval with such date reflected on page one of this Amendment Four.
2. Subparagraph 4.2 of Paragraph 4 (Term of Master Agreement) of the Master Agreement is deleted in its entirety and replaced as follows:

"4.2 At the end of the Initial Term, County may at its sole option extend this Master Agreement

Amendment Four

Master Agreement for up to eight (8) additional one-year periods and one additional six-month period (hereafter "Extended Term"), through no later than June 30, 2024. In the event that County elects not to exercise its option to extend at the end of the Initial Term, or the Extended Term, as applicable, the remaining option(s) shall lapse. County shall be deemed to have exercised its extension option(s) automatically, without further act, unless, no later than thirty (30) days prior to the expiration of the Initial Term, or the Extended Term, as applicable, the Director of Personnel, in his/her sole discretion, notifies Contractor in writing that County elects not to extend the Master Agreement pursuant to this Paragraph 4.2. The Extended Term shall be subject to all terms and conditions and rates quoted for each year of the term of this Master Agreement, as set forth in Exhibit B (Pricing Schedule)."

3. In the Master Agreement, including but not limited to Exhibit B (Pricing Schedule for Occupational Health Medical Examinations), all references to "Years 5, 6, 7, 8, and the period of January 1, 2021 through June 30, 2021," of the Master Agreement, with respect to any "Fees," "Pricing" and/or "Costs," are amended to read "Years 5, 6, 7, 8, 9, 10, 11 and the period of January 1, 2024 through June 30, 2024," and shall be deemed applicable to the Master Agreement from Year 5 through June 30, 2024.
4. Contractor represents and warrants that the person(s) executing this Amendment Four on behalf of Contractor is an authorized agent who has the actual authority to bind Contractor to each and every term, condition and obligation of this Amendment Four.
5. Except for the changes set forth herein, all other terms and conditions of the Contract shall remain in full force and effect.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment Four to be executed on its behalf by its duly authorized officer, the day, month and year first written above.

COUNTY OF LOS ANGELES

By: _____
Chairman, Board of Supervisors

CONTRACTOR:
SCV QUALITY CARE

By: 
Signature

ATTEST:

Celia Zavala, Executive Officer
of the Board of Supervisors

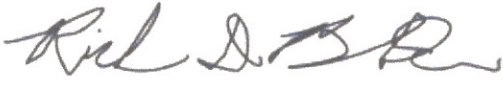
DENNIS P. LEWIS, M.D.
Printed Name

By: _____

PRESIDENT
Title

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: 
Richard D. Bloom
Principal Deputy County Counsel

**COUNTY OF LOS ANGELES DEPARTMENT OF HUMAN RESOURCES
OCCUPATIONAL HEALTH MEDICAL EXAMINATIONS
MASTER AGREEMENT OHME 2013-05**

AMENDMENT FOUR

This Amendment Four to the Master Agreement for the provision of Occupational Health Medical Examinations Services, OHME 2013-05 ("Master Agreement"), is made and entered into this _____ day of _____, 2020 by and between the County of Los Angeles (hereinafter "County") and Westchester Medical Group (hereinafter, "Contractor").

WHEREAS, on January 1, 2013, the County and Contractor entered into the Master Agreement for the provision of Occupational Health Medical Examinations; and

WHEREAS, the term of the executed Master Agreement was for up to five (5) years, consisting of an initial three-year term effective January 1, 2013 through December 31, 2015, and two (2) optional one-year extensions through no later than December 31, 2017; and

WHEREAS, on May 17, 2016, the County and Contractor executed Amendment One to change references to the "Chief Executive Office" and "CEO" to the "Department of Human Resources" and "DHR"; and

WHEREAS, on September 5, 2017, the County and Contractor executed Amendment Two to extend the term of this Master Agreement, one year at a time, to not later than December 31, 2019; and

WHEREAS, on October 29, 2019, the County and Contractor executed Amendment Three to extend the term of this Master Agreement for up to one additional one year period and one additional six month period, through no later than June 30, 2021; and

WHEREAS, on June 30, 2021, this Master Agreement is set to expire, and the County and Contractor desire to extend the term of this Master Agreement; and

WHEREAS, Sub-paragraph 9.3 (Amendments) under Paragraph 9 (Change Notices and Amendments) of the Master Agreement provides that, for any change which materially affects the scope of work or any term or condition of the Master Agreement, an amendment to the Master Agreement shall be executed in writing by the Board of Supervisors and Contractor's authorized representative(s);

NOW, THEREFORE, County and Contractor hereby agree to amend the Master Agreement as follows:

1. This Amendment Four shall commence and be effective upon Board of Supervisors approval with such date reflected on page one of this Amendment Four.
2. Subparagraph 4.2 of Paragraph 4 (Term of Master Agreement) of the Master Agreement is deleted in its entirety and replaced as follows:

"4.2 At the end of the Initial Term, County may at its sole option extend this Master Agreement for up to eight (8) additional one-year periods and one additional six-month period (hereafter "Extended Term"), through no later than June 30, 2024. In the event that County elects not to exercise its option to extend at the end of the Initial Term, or the Extended Term, as applicable, the remaining option(s) shall lapse. County shall be deemed to have exercised its extension option(s) automatically, without further act, unless, no later than thirty (30) days prior to the expiration of the Initial Term, or the Extended Term, as applicable, the Director of Personnel, in his/her sole discretion, notifies Contractor in writing that County elects not to extend the Master Agreement pursuant to this Paragraph 4.2. The Extended Term shall be subject to all terms and conditions and rates quoted for each year of the term of this Master Agreement, as set forth in Exhibit B (Pricing Schedule)."

3. In the Master Agreement, including but not limited to Exhibit B (Pricing Schedule for Occupational Health Medical Examinations), all references to "Years 5, 6, 7, 8, and the period of January 1, 2021 through June 30, 2021," of the Master Agreement, with respect to any "Fees," "Pricing" and/or "Costs," are amended to read "Years 5, 6, 7, 8, 9, 10, 11 and the period of January 1, 2024 through June 30, 2024," and shall be deemed applicable to the Master Agreement from Year 5 through June 30, 2024.
4. Contractor represents and warrants that the person(s) executing this Amendment Four on behalf of Contractor is an authorized agent who has the actual authority to bind Contractor to each and every term, condition and obligation of this Amendment Four.
5. Except for the changes set forth herein, all other terms and conditions of the Contract shall remain in full force and effect.

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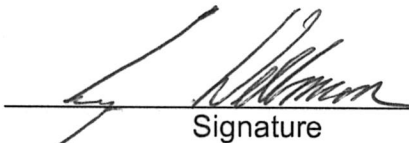
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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment Four to be executed on its behalf by its duly authorized officer, the day, month and year first written above.

COUNTY OF LOS ANGELES

By: _____
Chairman, Board of Supervisors

CONTRACTOR:
WESTCHESTER MEDICAL GROUP

By: _____
Signature

Craig Wellman
Printed Name

ATTEST:


Celia Zavala, Executive Officer
of the Board of Supervisors

By _____

Director
Title

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: _____
Richard D. Bloom
Principal Deputy County Counsel

**AMENDMENTS TO MASTER AGREEMENT FOR
OCCUPATIONAL HEALTH MOBILE MEDICAL EXAMINATIONS**

DRAFT

**COUNTY OF LOS ANGELES DEPARTMENT OF HUMAN RESOURCES
OCCUPATIONAL HEALTH MOBILE MEDICAL EXAMINATIONS
MASTER AGREEMENT OHME MOBILE-01**

AMENDMENT FIVE

This Amendment Five to the Master Agreement for the provision of Occupational Health Mobile Medical Examinations Services, OHME MOBILE-01 ("Master Agreement"), is made and entered into this _____ day of _____, 2020 by and between the County of Los Angeles (hereinafter "County") and Glendale Adventist Medical Center (hereinafter, "Contractor").

WHEREAS, on January 1, 2013, the County and Contractor entered into the Master Agreement for the provision of Occupational Health Mobile Medical Examinations; and

WHEREAS, the term of the executed Master Agreement was for up to five (5) years, consisting of an initial three-year term effective January 1, 2013 through December 31, 2015, and two (2) optional one-year extensions through no later than December 31, 2017; and

WHEREAS, on September 1, 2014, the County and Contractor executed Amendment One for the delivery of occupational health mobile medical examinations to be expanded to include walk-in clinic facilities; and

WHEREAS, on May 18, 2016, the County and Contractor executed Amendment Two to change references to the "Chief Executive Office" and "CEO" to the "Department of Human Resources" and "DHR"; and

WHEREAS, on September 5, 2017, the County and Contractor executed Amendment Three to extend the term of this Master Agreement, one year at a time, to not later than December 31, 2019; and

WHEREAS, on October 29, 2019, the County and Contractor executed Amendment Four to extend the term of this Master Agreement for up to one additional one year period and one additional six month period, through no later than June 30, 2021; and

WHEREAS, on June 30, 2021, this Master Agreement is set to expire, and the County and Contractor desire to extend the term of this Master Agreement; and

WHEREAS, Sub-paragraph 9.3 (Amendments) under Paragraph 9 (Change Notices and Amendments) of the Master Agreement provides that, for any change which materially affects the scope of work or any term or condition of the Master Agreement, an amendment to the Master Agreement shall be executed in writing by the Board of Supervisors and Contractor's authorized representative(s);

NOW, THEREFORE, County and Contractor hereby agree to amend the Master Agreement as follows:

1. This Amendment Five shall commence and be effective upon Board of Supervisors approval with such date reflected on page one of this Amendment Five.

2. Subparagraph 4.2 of Paragraph 4 (Term of Master Agreement) of the Master Agreement is deleted in its entirety and replaced as follows:

“4.2 At the end of the Initial Term, County may at its sole option extend this Master Agreement for up to eight (8) additional one-year periods and one additional six-month period (hereafter “Extended Term”), through no later than June 30, 2024. In the event that County elects not to exercise its option to extend at the end of the Initial Term, or the Extended Term, as applicable, the remaining option(s) shall lapse. County shall be deemed to have exercised its extension option(s) automatically, without further act, unless, no later than thirty (30) days prior to the expiration of the Initial Term, or the Extended Term, as applicable, the Director of Personnel, in his/her sole discretion, notifies Contractor in writing that County elects not to extend the Master Agreement pursuant to this Paragraph 4.2. The Extended Term shall be subject to all terms and conditions and rates quoted for each year of the term of this Master Agreement, as set forth in Exhibit B (Pricing Schedule for Occupational Health Mobile Medical Examinations).”

3. In the Master Agreement, including but not limited to Exhibit B (Pricing Schedule for Occupational Health Mobile Medical Examinations), all references to “Years 5, 6, 7, 8, and the period of January 1, 2021 through June 30, 2021,” of the Master Agreement, with respect to any “Fees,” “Pricing” and/or “Costs,” are amended to read “Years 5, 6, 7, 8, 9, 10, 11 and the period of January 1, 2024 through June 30, 2024,” and shall be deemed applicable to the Master Agreement from Year 5 through June 30, 2024.
4. Contractor represents and warrants that the person(s) executing this Amendment Five on behalf of Contractor is an authorized agent who has the actual authority to bind Contractor to each and every term, condition and obligation of this Amendment Five.
5. Except for the changes set forth herein, all other terms and conditions of the Contract shall remain in full force and effect.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment Five to be executed on its behalf by its duly authorized officer, the day, month and year first written above.

COUNTY OF LOS ANGELES

By: _____
Chairman, Board of Supervisors

CONTRACTOR:
GLENDALE ADVENTIST MEDICAL
CENTER

By: 
Signature

ATTEST:

Celia Zavala, Executive Officer
of the Board of Supervisors


Alice Issai
Printed Name

By: _____

President
Title

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: 
Richard D. Bloom
Principal Deputy County Counsel

**ADVANCE NOTIFICATION OF INTENT TO NEGOTIATE SOLE SOURCE
CONTRACT EXTENSIONS WITH CONTRACTORS PROVIDING OCCUPATIONAL
HEALTH MEDICAL EXAMINATION SERVICES, OCCUPATIONAL HEALTH MOBILE
MEDICAL EXAMINATION SERVICES**

DRAFT



LISA M. GARRETT
DIRECTOR OF PERSONNEL

COUNTY OF LOS ANGELES DEPARTMENT OF HUMAN RESOURCES

HEADQUARTERS
KENNETH HAHN HALL OF ADMINISTRATION
500 W. TEMPLE STREET, ROOM 579 • LOS ANGELES, CALIFORNIA 90012
(213) 974-2406 • FAX (213) 621-0387

BRANCH OFFICE
3333 WILSHIRE BOULEVARD • LOS ANGELES, CALIFORNIA 90010
(213) 738-2211 • FAX (213) 637-0821

June 18, 2020

To: Each Supervisor

From: Lisa M. Garrett
Director of Personnel

ADVANCE NOTIFICATION OF INTENT TO NEGOTIATE SOLE SOURCE CONTRACT EXTENSIONS WITH CONTRACTORS PROVIDING OCCUPATIONAL HEALTH MEDICAL EXAMINATION SERVICES, OCCUPATIONAL HEALTH MOBILE MEDICAL EXAMINATION SERVICES

This memorandum is to provide advance notification to your Board that the Department of Human Resources (DHR) intends to enter into sole source negotiations with existing Master Agreement Contractors to extend two Master Agreements for Occupational Health Medical Examination Services and Occupational Health Mobile Medical Examination Services for up to three years.

This notice is being sent in accordance with Board Policy 5.100, Sole Source Contracts, which requires County departments that intend to negotiate sole source contracts for Board approval to provide advance written notice to your Board at least six months prior to the expiration of an existing contract, for amendments to existing contracts, when departments do not have delegated authority to execute such amendments, and at least four weeks prior to commencing contract negotiations.

The County currently has Master Agreements for Occupational Health Medical Examinations with Irwindale Industrial Clinic, MemorialCare Medical Foundation, SCV Quality Care, and Westchester Medical Group, and for Mobile Occupational Health Medical Examinations with Glendale Adventist Medical Center. These Master Agreements were executed for contract terms commencing on January 1, 2013 through December 31, 2017, as the result of competitive solicitations conducted by the Chief Executive Office. These contracted services were initially provided through the Chief Executive Office, Occupational Health Programs (OHP); subsequently on March 29, 2016, the master agreements were transferred with OHP to the DHR. Pursuant to Board approvals on September 5, 2017 and October 10, 2019, the Master Agreements will expire on June 30, 2021. There are no further extensions available on either of the Master Agreements.

To Enrich Lives Through Effective and Caring Service

These contracted services provide a network of clinics for occupational health medical examination services, through in-clinic or mobile deliver, to County departments. The services include post-offer/pre-placement employment medical examinations, periodic medical examinations of County employees as required by various regulatory agencies, and wellness medical examinations of County employees provided for under Memoranda of Understanding with County bargaining groups. The services are provided on an as-needed basis, depending on the needs and requirements of County departments.

Contractors providing the above medical services are currently working with the Department of Human Resources Occupational Health Programs and various County departments, including safety-sensitive departments such as Sheriff, Fire and Probation, to ensure critical medical examination services are timely completed despite the Coronavirus pandemic's impact to medical-provider operations. As the County and contractors continue to navigate the impact of the Coronavirus' impact on the availability of timely and complete services, various modifications are being made on an as-needed basis including prioritization of services within existing resources, and the temporary pausing of non-mandated services where needed and mutually agreed upon. As the contractors and County have partnered together during this unprecedented time, all critical services have been maintained and departments' needs have been timely met.

Due to the uncertainty of the timeline and continuing impact of the Coronavirus pandemic, extension of the current contracts will enable the current partnership to continue to ensure all critical services are timely received while addressing the unprecedented impact and challenges presented by the Coronavirus pandemic. Further, it will allow replacement solicitations to be conducted at a time when impact to medical-provider operations and the County's finances have stabilized, when any "new normal" service requirements and service deliveries are more defined and known, and will result in a solicitation which is more efficient and cost-effective.

Extension of the Master Agreements is needed to ensure service continuity of these essential and mandated services during the Coronavirus pandemic and pending the effective date of new Master Agreements. The Sole Source Checklist for the Master Agreements is attached. DHR will proceed with the sole source contract negotiations in four weeks unless instructed otherwise by your Board.

Should you have any questions, please contact me at (213) 974-2406 or your staff may contact Maggie Martinez, Assistant Director at (213) 351-2921.

LMG:PAM
MGM:DJ:tdb

Attachment

c: Chief Executive Officer
Executive Officer, Board of Supervisors

SOLE SOURCE CHECKLIST

Department Name: Department of Human Resources

☐ New Sole Source Contract

☒ Existing Sole Source Contracts Date Sole Source Contracts Approved January 1, 2013

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>"Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist."</i>
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
✓	<p>➤ Services are needed to address an emergent or related time-sensitive need.</p> <p>Under the Master Agreements for Occupational Health Medical Examinations and Mobile Medical Examinations (hereafter collectively referred to as "Occupational Health Medical Exam Master Agreements"), contractors provide</p> <ul style="list-style-type: none"> ○ pre-employment post-offer medical exams, including peace officer certification for P.O.S.T. medical requirements; ○ periodic employee exams for commercial drivers and for potential work exposures (such as noise, asbestos, hazardous materials, etc.) in compliance with Federal and state regulatory requirements; and ○ periodic fitness for life examinations for positions such as Firefighter and Ocean Lifeguard pursuant to terms of a negotiated labor contract. <p>These Occupational Health Medical Exam Master Agreements (initially executed on January 1, 2013 based on competitive solicitations) are set to expire on June 31, 2021. If these master agreements are not extended, effective July 1, 2021 the County will be unable to comply with regulatory requirements.</p>
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
✓	<p>➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.</p> <p>Contractors providing the above medical services are currently working with the Department of Human Resources Occupational Health Programs and various County departments, including safety-sensitive departments such as Sheriff, Fire and Probation, to ensure critical medical examination services are timely completed despite the Coronavirus pandemic's impact to medical-provider operations. As the County and contractors continue to navigate the impact of the Coronavirus' impact on the availability of timely and complete services, various modifications are being made on an as-needed basis including prioritization of services within existing resources, and the temporary pausing of non-mandated services where needed</p>

	and mutually agreed upon. As the contractors and County have partnered together during this unprecedented time, all critical services have been maintained and departments' needs have been timely met. Due to the uncertainty of the timeline and continuing impact of the Coronavirus pandemic, extension of the current contracts will enable the current partnership to continue to ensure all critical services are timely received while addressing the unprecedented impact and challenges presented by the Coronavirus pandemic. Further, it will allow replacement solicitations to be conducted at a time when impact to medical-provider operations and the County's finances have stabilized, when any "new normal" service requirements and service deliveries are more defined and known, and will result in a solicitation which is more efficient and cost-effective.
	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/ system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ The contractor was selected through a competitive solicitation process conducted by an outside entity (e.g., other municipalities, public agencies, State/federal government or nonprofit organization).
	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

Sheila Williams

Digitally signed by Sheila Williams
 DN: cn=Sheila Williams, o=CEO, ou=BOMB,
 email=swilliams@ceo.lacounty.gov, c=US
 Date: 2020.10.07 09:35:00 -07'00'

Chief Executive Office

Date

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	10/21/2020	
BOARD MEETING	11/10/2020	
DELEGATED AUTHORITY BOARD LETTER	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SUPERVISORIAL DISTRICT AFFECTED	All Supervisorial Districts	
DEPARTMENT	Department of Human Resources (DHR)	
SUBJECT	Amendment Number Five to Contract #78079 for Employee Drug and Alcohol Testing Program Services Administration	
PROGRAM		
SOLE SOURCE CONTRACT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain why: The current Board-approved contract was the result of a competitive solicitation. The agreement will expire on December 31, 2020. There are no extensions available. The extension with the existing contractor is needed to ensure service continuity of these essential and mandated services during the Coronavirus pandemic and pending the effective date of a new contract.	
DEADLINES/ TIME CONSTRAINTS	The contract term will expire on December 31, 2020.	
COST & FUNDING	Total cost: Services are utilized as needed.	Funding source: Costs incurred are billed to departments utilizing the services.
	TERMS (if applicable): N/A	
	Explanation: Services are provided on an as-needed basis.	
PURPOSE OF REQUEST	This is a sole source extension of the current for up to three years. The services provided under this contract are essential for the County to provide pre-employment, reasonable suspicion, random and follow-up drug and alcohol testing for County commercial drivers and other County employees.	
BACKGROUND (include internal/external issues that may exist)	These contract services were initially provided through the Chief Executive Office, Occupational Health Programs (OHP). On March 29, 2016, the contract was transferred with OHP to the DHR. Due to the uncertainty of the timeline and continuing impact of the Coronavirus pandemic, extension of the current contracts will enable the current partnership with American Substance Abuse Professional Drug Solutions, Inc. to ensure all critical services are timely received while addressing the unprecedented impact and challenges presented by the Coronavirus pandemic. Further, it will allow a replacement solicitation to be conducted at a time when impact to medical provider operations and County's finances have stabilized, when any "new normal" service requirements and service deliveries are more defined and known, and will result in a solicitation which is more efficient and cost-effective.	
DEPARTMENTAL AND OTHER CONTACTS	Name, Title, Phone # & Email: <ul style="list-style-type: none"> Maggie Martinez, Assistant Director (213) 351-2921, mmartinez@hr.lacounty.gov 	



LISA M. GARRETT
DIRECTOR OF PERSONNEL

COUNTY OF LOS ANGELES

DEPARTMENT OF HUMAN RESOURCES

HEADQUARTERS
579 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-2406 FAX (213) 621-0387

BRANCH OFFICE
3333 WILSHIRE BOULEVARD • LOS ANGELES, CALIFORNIA 90010
(213) 738-2211 FAX (213) 637-0821

November 10, 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:

AMENDMENT NUMBER FIVE TO CONTRACT #78079 FOR EMPLOYEE DRUG AND ALCOHOL TESTING PROGRAM SERVICES ADMINISTRATION

(ALL DISTRICTS – 3 VOTES)

SUBJECT

Approve amendment to the Contract for Employee Drug and Alcohol Testing Program Services Administration to provide three additional one-year options through December 31, 2023.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and instruct the Director of Personnel, or her designee, to execute the attached contract amendment (Attachment 1), that extends the contract term effective January 1, 2021 for up to three (3) additional one-year periods, through December 31, 2023, for a maximum total Contract term of ten (10) years, and increases the total contract maximum obligation by \$92,000 a year, for a contract total maximum obligation of \$920,000.
2. Delegate authority to the Director of Personnel, or her designee, to execute up to three (3) optional one-year term options, extending the contract term through December 31, 2023.

To Enrich Lives Through Effective and Caring Service

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The ASAP contract for employee drug and alcohol testing program services administration will expire on December 31, 2020. Board approval will amend the ASAP contract to extend the agreement for up to three optional one-year terms through December 31, 2023 to ensure continuation of the County's federally mandated employee drug and alcohol testing program for its commercial drivers as well as periodic wellness exams and random and reasonable suspicion drug and alcohol testing for County employees.

The U.S. Department of Transportation (DOT) requires pre-employment drug testing, as well as random and post-accident drug and alcohol testing of employees who carry a commercial driver's license. Since its inception in 1995, the County has utilized a third-party administrator for administration of the program. The contractor oversees a network of specimen collection facilities located in various geographical areas within the County. An estimated 1,000 annual random, reasonable suspicion and post-rehabilitation follow-up DOT tests will be handled through this contract.

The contractor providing the above medical services is currently working with the DHR OHP and various County departments to ensure the critical medical examination services are timely completed despite the Coronavirus pandemic's impact to medical provider operations. As the County and contractor continue to navigate the impact of the Coronavirus' impact on the availability of timely and complete services, various modifications are being made on an as-needed basis, including prioritization of services within existing resources and the temporary pausing of non-mandated services where needed and mutually agreed upon. As the County and contractor have partnered together during this unprecedented time, all critical services have been maintained and departments' needs have been timely met.

Due to the uncertainty of the timeline and continuing impact of the Coronavirus pandemic, extension of the current contract will enable the current partnership to continue to ensure all critical services are timely received while addressing the unprecedented impact and challenges presented by the Coronavirus pandemic. Further, it will allow a replacement solicitation to be conducted at a time when impact to medical provider operations and the County's finances have stabilized, when any "new normal" service requirements and service deliveries are more defined and known, and will result in a solicitation which is more efficient and cost-effective.

Implementation of Strategic Plan Goals

The recommended actions support the County's Strategic Plan Goal 1, Operational Effectiveness, providing timely and cost-effective services to the County, and strengthening its loss prevention program.

FISCAL IMPACT/FINANCING

The contract maximum will be increased by \$92,000 for each of the three one-year optional extension periods, increasing the current contract maximum of \$644,000 to a total contract maximum to \$920,000. The contract does not guarantee a minimum

amount of business, and the Department will only accrue an obligation when work is performed. Services are used on an as-needed basis. Costs resulting from this agreement vary each year based on department usage and are not expected to exceed an estimated annual cost of \$92,000. Expenses incurred are fully offset by billings to County departments utilizing the services. Funding is included in the FY 2020-21 Final Adopted Budget, and funding for subsequent years will be included in each fiscal year budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On December 3, 2013, the Board approved the contract for employee drug and alcohol testing program services administration and delegated authority to the Chief Executive Office or designee to execute all extension options. The Chief Executive Office has been contracting third-party administration services for employee drug and alcohol testing to comply with DOT requirements and non-DOT County policy since the program's inception.

The attached amendment has been approved as to form by County Counsel.

These services are exempt from Proposition A requirements as the contracted services are needed on a part-time and intermittent basis.

CONTRACTING PROCESS

The contract resulted from a competitive solicitation, and was executed by CEO with the Contractor pursuant to the Board's December 3, 2013 approval of the Contract and delegated authority to CEO. Pursuant to the March 29, 2016 Board-approved realignment of County functions, responsibility for administration of the Plan was transferred from CEO to DHR. Pursuant to the Board's approved September 4, 2018 amendment, the expiration date was extended through December 31, 2020.

Sole source notification for extending this contract was provided to the Board on June 18, 2020 (Attachment 2).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this amendment will enable the County to continue to maintain its employee drug and alcohol testing program.

CONCLUSION

Please return three (3) adopted copies of this Board letter to DHR. It is requested that the Executive Officer notify DHR Administrative Services at (213) 974-2407 when the documents are available.

Respectfully submitted,

LISA GARRETT
Director of Personnel

LG:EP:MM
LF:MA

Enclosures

c: County Counsel

DRAFT

ATTACHMENT I

**AMENDMENT NUMBER FIVE TO THE CONTRACT BETWEEN COUNTY OF LOS
ANGELES AND AMERICAN SUBSTANCE ABUSE PROFESSIONAL DRUG
SOLUTIONS, INC. FOR EMPLOYEE DRUG AND ALCOHOL TESTING PROGRAM
SERVICES/ADMINISTRATION**

DRAFT

AMENDMENT NUMBER FIVE

CONTRACT BETWEEN COUNTY OF LOS ANGELES AND AMERICAN SUBSTANCE ABUSE PROFESSIONAL DRUG SOLUTIONS, INC. FOR EMPLOYEE DRUG AND ALCOHOL TESTING PROGRAM SERVICES/ADMINISTRATION

CONTRACT NO. 78079

THIS AMENDMENT NUMBER FIVE to the Contract for the provision of Employee Drug and Alcohol Testing Program Services/Administration is made and entered into this _____ day of _____, 2020 by and between the County of Los Angeles (hereinafter "County") and American Substance Abuse Professional Drug Solutions, Inc. (hereinafter "Contractor").

WHEREAS, on December 3, 2013, the County Board of Supervisors ("Board") entered into this Contract with the Contractor for Employee Drug and Alcohol Testing Program Services/Administration (hereafter referred to as "Contract"); and

WHEREAS, the Board approved the original term of the Contract for three (3) years, effective January 1, 2014 through December 31, 2016, with up to two (2) additional one-year periods for a maximum total Contract term of five (5) years and delegated authority to the Chief Executive Officer or his designee to execute all extension options; and

WHEREAS, on March 29, 2016, the Board delegated authority to the Chief Executive Officer or designee to execute amendments to transfer authority to the County Department of Human Resources (DHR) Director or her designee for the administration and management of contracts; and

WHEREAS, on May 17, 2016, the County and Contractor executed Amendment Number One, amending Contract Subsection 8.1, Amendments and Change Notices, and references to Chief Executive Office and CEO to Department of Human Resources and DHR; and

WHEREAS, on October 27, 2016, the County and Contractor executed Amendment Number Two, executing the first option to extend the Contract term for one (1) additional one-year period. The extended term of the Contract was from January 1, 2017 through December 31, 2017; and

WHEREAS, on December 6, 2017, the County and Contractor executed Amendment Number Three, executing the second option to extend the Contract term for one (1) additional one-year period. The extended term of the Contract is from January 1, 2018 through December 31, 2018; and

WHEREAS, on September 4, 2018, the County and Contractor executed Amendment Number Four to extend the term of this Contract to December 31, 2020; and

WHEREAS, on December 31, 2020, this Contract will expire and the County and Contractor desire to extend the current contract term; and

WHEREAS, Paragraph 4.0, Term of Contract, and Subparagraph 8.1.3 of Paragraph 8.1, Amendments and Change Notices, of the Contract provide that for any change which affects the scope of work, term, Contract Sum, payments, or any term or condition included under this Contract, an Amendment shall be prepared and executed by the Contractor and by the County's DHR Director of Personnel or designee as authorized by the County's Board of Supervisors.

NOW THEREFORE, it is mutually agreed between the County and Contractor that the Contract be amended as follows:

1. This Amendment Five shall commence and be effective upon Board of Supervisors approval with such date reflected on page one of this Amendment Five.
2. Subparagraphs 4.1 and 4.2 of Paragraph 4 (Term of Contract) of the Contract are deleted in their entirety and replaced as follows:

"4.1 The term of this Contract shall be seven (7) years commencing January 1, 2014 and continuing to December 31, 2020, unless sooner terminated or extended, in whole or in part, as provided in this Contract.

4.2 The County shall have the sole option to extend this Contract term for up to three (3) additional one-year periods, through December 31, 2023, for a maximum total Contract term of ten (10) years. Each such option and extension shall be exercised at the sole discretion of DHR's Director of Personnel or her designee.

To implement an extension of time for Contract years eight (8) through December 31, 2021, nine (9) through December 31, 2022, or ten (10) through December 31, 2023, as applicable, County shall be deemed to have exercised its extension option(s) automatically, without further act, unless, no later than thirty (30) days prior to the expiration of year seven (7), eight (8), or nine (9), as applicable, the Director of Personnel, in his/her sole discretion, notifies Contractor in writing that County elects not to extend the Contract term for the following year pursuant to this Paragraph 4.2.

Any extension years shall be subject to all terms and conditions and rates quoted for each year of the term of this Contract, as set forth in Exhibit B (Price Schedule).

The County maintains databases that track/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option."

3. Exhibit B (Price Schedule) shall be deleted in its entirety and replaced with revised Exhibit B (Price Schedule), which is attached hereto and incorporated herein by reference.

4. Contractor represents and warrants that the person(s) executing this Amendment Five on behalf of Contractor is an authorized agent who has the actual authority to bind Contractor to each and every term, condition, and obligation of this Amendment Five.
5. Except for the changes set forth hereinabove, the Contract shall not be changed in any respect by this Amendment Five. All changes set forth in this Amendment Five shall be effective upon execution and have no retroactive effect.

IN WITNESS WHEREOF, the Contractor has duly executed this Amendment Five to above stated Contract and the County has caused this Amendment Five to be executed on its behalf by the Department of Human Resources Director of Personnel in accordance with Subparagraph 8.1.5 of Paragraph 8.1, Amendments and Change Notices, of the Contract, the day, month and year first written above.

COUNTY OF LOS ANGELES

AMERICAN SUBSTANCE ABUSE
PROFESSIONAL DRUG SOLUTIONS, INC.

By: _____

Lisa M. Garrett
Director of Personnel
Department of Human Resources

By: _____

Title: _____



President

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
MARY C. WICKHAM
County Counsel

By: _____



Richard D. Bloom
Principal Deputy County Counsel

EXHIBIT B – PRICE SCHEDULE

SERVICE/COMPONENT DESCRIPTION	Unit Price Years 1-3	Unit Price Year 4	Unit Price Year 5-7	Unit Price Year 8-10
1. Urine collection and analysis per DOT regulations. Pricing includes any same-day repeat collections, GC/MS and/or 6– Acetylmorphine confirmation testing, and any required MRO services.	\$38.00	\$39.00	\$40.00	\$21.00+
2. Split specimen testing (second laboratory) if primary test is adulterated or substituted. Includes handling charges.	\$140.00	\$140.00	\$140.00	\$140.00
3. Split specimen GC/MS Test (second laboratory). Includes handling charges.	\$140.00	\$140.00	\$140.00	\$140.00
4. D/L confirmation if positive for amphetamines and MRO deems necessary.	\$35.00	\$35.00	\$35.00	\$35.00
5. Breath alcohol test including confirmatory testing as needed.	\$33.00	\$33.00	\$33.00	\$21.00+
6. Substance abuse professional services. Price per non-negative test result.	\$300.00	\$300.00	\$300.00	\$300.00
7. Supervisor training program materials and two-hour training session. Price per hour.	\$125.00	\$125.00	\$125.00	\$125.00
8. Expert Witness including MRO, SAP or Certifying Scientist. Price per hour.	\$400.00	\$400.00	\$400.00	\$400.00
9. Additional physician review for shy bladder, shy lung, and/or opiates. Price per review.	\$0.00	\$0.00	\$0.00	\$0.00
10. Urine collection and analysis of non-DOT Substance Abuse Panel plus Urine Alcohol (9 substance). Pricing includes any same-day repeat collections, GC/MS and/or 6–Acetylmorphine confirmation testing (does not include MRO services).	\$38.00	\$38.00	\$38.00	\$21.00+
11. Same as Service Component #10 but also includes testing for the following substances: Hydrocodone, Hydromorphone, Propoxyphene, Oxycodone, Tramadol, Butabitol, Carisprodol, and Cyclobenzaprine. Includes GC/MS and/or 6–Acetylmorphine confirmation testing of all substances except Tramadol.	\$62.00	\$62.00	\$62.00	\$45.00+
12. Tramadol confirmation. If confirmed a positive screen result, the specimen will be sent out to a confirmation lab.	\$41.00	\$41.00	\$41.00	\$41.00
13. Drug screen at Detection Limits (for six classes of compounds: Amphetamines, Barbiturates, Benzodiazepines, Cocaine, Marijuana, and Opiates).	\$55.00	\$55.00	\$55.00	\$55.00

+ For Service #1 and #5, Contractor's flat rate is \$21 per test plus reimbursement of third-party costs without mark-up or premium. Contractor shall utilize lowest-fee third-party site that is geographically suitable.

ATTACHMENT II

**ADVANCE NOTIFICATION OF INTENT TO NEGOTIATE
SOLE SOURCE CONTRACT EXTENSION WITH
AMERICAN SUBSTANCE ABUSE PROFESSIONAL DRUG SOLUTIONS, INC.**

DRAFT



LISA M. GARRETT
DIRECTOR OF PERSONNEL

COUNTY OF LOS ANGELES DEPARTMENT OF HUMAN RESOURCES

HEADQUARTERS
KENNETH HAHN HALL OF ADMINISTRATION
500 W. TEMPLE STREET, ROOM 579 • LOS ANGELES, CALIFORNIA 90012
(213) 974-2406 • FAX (213) 621-0387

BRANCH OFFICE
3333 WILSHIRE BOULEVARD • LOS ANGELES, CALIFORNIA 90010
(213) 738-2211 • FAX (213) 637-0821

June 18, 2020

To: Each Supervisor

From: Lisa M. Garrett
Director of Personnel

ADVANCE NOTIFICATION OF INTENT TO NEGOTIATE A SOLE SOURCE CONTRACT EXTENSION WITH AMERICAN SUBSTANCE ABUSE PROFESSIONAL DRUG SOLUTIONS, INC.

This memorandum is to provide advance notification to your Board that the Department of Human Resources (DHR) intends to enter into a sole source negotiation with American Substance Abuse Professional Drug Solutions (ASAP) to extend the contract for Alcohol and Drug Testing Services for up to three years.

This notice is being sent in accordance with Board Policy 5.100, Sole Source Contracts, which requires County departments that intend to negotiate sole source contracts for Board approval to provide advance written notice to your Board at least six months prior to the expiration of an existing contract, for amendments to existing contracts, when departments do not have delegated authority to execute such amendments, and at least four weeks prior to commencing contract negotiations.

The current ASAP contract was executed for the term of January 1, 2014 to December 31, 2018, as the result of a competitive solicitation issued by the Chief Executive Office. On September 4, 2018, a Board-approved amendment extended the expiration date to December 31, 2020. There are currently no additional extensions available.

Contract services provide pre-employment, reasonable suspicion, random and follow-up drug and alcohol testing for County commercial drivers and other County employees. These contracted services were initially provided through the Chief Executive Office, Occupational Health Programs (OHP); on March 29, 2014, the contract was transferred with OHP to the DHR.

The contractor providing the above medical services is currently working with the DHR OHP and various County departments, to ensure the critical medical examination services

are timely completed despite the Coronavirus pandemic's impact to medical-provider operations. As the County and contractors continue to navigate the impact of the Coronavirus' impact on the availability of timely and complete services, various modifications are being made on an as-needed basis including prioritization of services within existing resources, and the temporary pausing of non-mandated services where needed and mutually agreed upon. As the contractors and County have partnered together during this unprecedented time, all critical services have been maintained and departments' needs have been timely met.

Due to the uncertainty of the timeline and continuing impact of the Coronavirus pandemic, extension of the current contracts will enable the current partnership to continue to ensure all critical services are timely received while addressing the unprecedented impact and challenges presented by the Coronavirus pandemic. Further, it will allow a replacement solicitation to be conducted at a time when impact to medical-provider operations and the County's finances have stabilized, when any "new normal" service requirements and service deliveries are more defined and known, and will result in a solicitation which is more efficient and cost-effective.

Extension of the contract is needed to ensure service continuity of these essential and mandated services during the Coronavirus pandemic and pending the effective date of a new contract. The Sole Source Checklist for the Alcohol and Drug Testing Services contract is attached. DHR will proceed with the sole source contract negotiations in four weeks unless instructed otherwise by your Board.

Should you have any questions, please contact me at (213) 974-2406 or your staff may contact Maggie Martinez, Assistant Director at (213) 351-2921.

LMG:PAM
MGM:DJ:tdb

Attachment

c: Chief Executive Officer
Executive Officer, Board of Supervisors

SOLE SOURCE CHECKLIST

Department Name: Department of Human Resources

☐ New Sole Source Contract

☒ Existing Sole Source Contract Date Sole Source Contracts Approved December 3, 2013

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an "Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist."
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
✓	<p>➤ Services are needed to address an emergent or related time-sensitive need.</p> <p>The Contract for Employee Drug and Alcohol Testing Program Services/Administration with American Substance Abuse Professional Drug Solutions, Inc. (hereafter referred to as "ASAP Contract") enables the County to maintain its federally mandated employee drug and alcohol testing program for its commercial drivers. This service is critical for delivery of required alcohol and drug testing for commercial drivers in compliance with Federal Department of Transportation (DOT) regulations, including regulatory requirements for commercial drivers issued by United States Department of Transportation (DOT), 49 CFR (Parts 40 and 382), and for County employees pursuant to Board Policy 9.050, Drug Free Workplace Program.</p> <p>The current ASAP Contract (executed with a January 1, 2014 effective date based on a competitive solicitation) is set to expire on December 31, 2020. If this contract is not extended, effective January 1, 2021 the County will be unable to comply with Federal DOT regulations and Board provisions.</p>
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
✓	<p>➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.</p> <p>The contractor providing the above medical services is currently working with the DHR OHP and various County departments, to ensure the critical medical examination services are timely completed despite the Coronavirus pandemic's impact to medical-provider operations. As the County and contractors continue to navigate the impact of the Coronavirus' impact on the availability of timely and complete services, various modifications are being made on an as-needed basis including prioritization of services within existing resources, and the temporary pausing of non-mandated services where needed and mutually agreed upon. As the contractors and County have partnered</p>

	<p>together during this unprecedented time, all critical services have been maintained and departments' needs have been timely met. Due to the uncertainty of the timeline and continuing impact of the Coronavirus pandemic, extension of the current contracts will enable the current partnership to continue to ensure all critical services are timely received while addressing the unprecedented impact and challenges presented by the Coronavirus pandemic. Further, it will allow a replacement solicitation to be conducted at a time when impact to medical-provider operations and the County's finances have stabilized, when any "new normal" service requirements and service deliveries are more defined and known, and will result in a solicitation which is more efficient and cost-effective.</p>
	<p>➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.</p>
	<p>➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/ system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.</p>
	<p>➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.</p>
	<p>➤ It is more cost-effective to obtain services by exercising an option under an existing contract.</p>
	<p>➤ The contractor was selected through a competitive solicitation process conducted by an outside entity (e.g., other municipalities, public agencies, State/federal government or nonprofit organization).</p>
	<p>➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.</p>

Sheila Williams

Digitally signed by Sheila Williams
 DN: cn=Sheila Williams, o=CEO, ou=BOMB,
 email=swilliams@ceo.lacounty.gov, c=US
 Date: 2020.10.07 09:36:10 -07'00'

Chief Executive Office

Date

BOARD LETTER/MEMO – FACT SHEET OPERATIONS CLUSTER

☒ Board Letter

☐ Board Memo

☐ Other

OPS CLUSTER AGENDA REVIEW DATE	10/21/2020	
BOARD MEETING	11/10/2020	
DELEGATED AUTHORITY BOARD LETTER	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SUPERVISORIAL DISTRICT AFFECTED	Second District	
DEPARTMENT	Chief Executive Office	
Subject	Harbor-UCLA Medical Center Campus Option Agreement and Ground Leases with the Lundquist Institute for a Bioscience Technology Park	
PROGRAM	Bioscience Technology Park	
SOLE SOURCE CONTRACT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain why: These agreements are a result of a July 21, 2020 motion by SD2 and SD4	
DEADLINES/ TIME CONSTRAINTS	The motion required that staff return in 90 days. We are returning to the Board as soon as possible after the 90 day period.	
COST & FUNDING	Total cost: \$0.	Funding source: N/A
	TERMS (if applicable): Upon execution of the Option Agreement, a fee of \$150,000 will be paid to the County with an additional fee of \$100,000 upon signing the first ground lease. Each ground lease is expected to result in ground rent payable to the County.	
	Explanation: N/A	
PURPOSE OF REQUEST	To request authority for the CEO or her designee to execute the Option Agreement and ground leases upon the completion of Tier 1 and Tier 2 conditions.	
BACKGROUND (include internal/external issues that may exist)	<p>As directed in the July 21, 2020 motion by SD2 and SD4, (Item 51A on the attached link http://file.lacounty.gov/SDSInter/bos/sop/1076313_072120.pdf), staff is returning to the Board to seek delegated authority to the CEO or her designee to execute an option agreement with The Lundquist Institute (TLI), on an approximately 15 acre site on the Harbor-UCLA Medical Center Campus, to develop and construct a bioscience technology park. The option agreement will have a term of 15 years and may be extended for an additional 10 years subject to CEQA clearance and Board approval.</p> <p>The CEO or her designee would also be delegated authority to execute one or more ground leases. As stated in the July 21, 2020 motion, the ground leases will have an initial 55-year term plus 2 - 20-year options to extend. The Ground leases will be executed for a particular site after TLI meets the Tier 1 and Tier 2 conditions.</p>	
DEPARTMENTAL AND OTHER CONTACTS	<ul style="list-style-type: none"> Michael Rodriguez, Chief Program Specialist, CEO, (213) 974-4246, mgrodriguez@ceo.lacounty.gov Joyce Chang, Manager, CEO (213) 974-3078, jchang@ceo.lacounty.gov Sonia Chan, Deputy County Counsel, (213) 974-1948, schan@counsel.lacounty.gov 	



FESIA A. DAVENPORT
Acting 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
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

November 10, 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:

**HARBOR-UCLA MEDICAL CENTER CAMPUS
OPTION AGREEMENT AND GROUND LEASES WITH THE LUNDQUIST INSTITUTE
FOR BIOMEDICAL INNOVATION AT HARBOR-UCLA MEDICAL CENTER FOR A
BIOSCIENCE TECHNOLOGY PARK
(SECOND DISTRICT)
(3 VOTES)**

SUBJECT:

Request for approval of, and delegation of authority, to execute an Option to Lease Agreement, and one or more Ground Leases with The Lundquist Institute for Biomedical Innovation at Harbor-UCLA Medical Center, to construct a bioscience technology park on the Harbor-UCLA Medical Center Campus.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the recommended actions are within the scope of the Harbor-UCLA Medical Center Campus Master Plan project impacts analyzed in the Environmental Impact Report (EIR) previously certified by your Board.
2. Pursuant to Government Code section 26227, find that the bioscience technology park is necessary to meet the social needs of the population of the County, and that during the time of possession of the specific site by The Lundquist Institute for Biomedical Innovation at Harbor-UCLA Medical Center (TLI) the property will not be needed for County purposes.
3. Approve and authorize the Chief Executive Officer, or her designee, to execute an Option to Lease Agreement (Option) with TLI, for a proposed bioscience technology park at the Harbor-UCLA Medical Center Campus, in a form approved by County

"To Enrich Lives Through Effective And Caring Service"

Counsel and consistent with the terms set forth herein, subject to review by the Real Estate Management Commission (REMC).

4. Approve and authorize the Chief Executive Officer, or her designee, to execute one or more ground leases in a form approved by County Counsel, and consistent with the terms set forth herein, when all the Tier 1 and Tier 2 option conditions for a specific site have been fulfilled, and TLI has exercised the option for a specific site.
5. Approve and authorize the Chief Executive Officer, or her designee, to execute any ancillary documentation, approved as to form by County Counsel, that is necessary to effectuate the Option or ground leases, and to implement and effectuate the terms of the Option or ground leases and the development of the bioscience technology park as set forth herein .

PURPOSE OF RECOMMENDED ACTION/JUSTIFICATION

The purpose of the recommended actions is to approve and authorize the Chief Executive Officer, or her designee, to execute the Option and the ground leases to develop a bioscience technology park on the Harbor-UCLA Medical Center Campus located in the unincorporated County of Los Angeles community of West Carson. On April 18, 2017, the Board approved a motion authorizing an Exclusive Negotiating Agreement with TLI for Biomedical Innovation at Harbor-UCLA Medical Center to develop a bioscience technology park on an approximately 15-acre parcel located on the western portion of the Harbor-UCLA Medical Center Campus. The goal was and is to support a thriving bioscience community on the Harbor-UCLA Medical Center Campus and produce County-wide economic, academic, and social benefits. On July 21, 2020, the Board approved a motion to expedite development of the bioscience technology park and set forth parameters for an initial phase of the bioscience technology park.

The proposed bioscience technology park will be a 15-acre site located within the boundaries of the area shown on Exhibit A to Attachment 1. The specific 15-acre portion of the property will be determined prior to the execution of the Option and will reserve the southwest corner for the County to locate and operate an electrical substation to serve the Harbor-UCLA Medical Center Campus. The initial phase of the proposed bioscience technology park shall consist of three sites with three respective ground leases for the construction of three buildings, parking, and other improvements totaling a maximum of 250,000 gross new square feet. The initial phase will be between approximately seven and nine acres, to be determined upon completion and approval of the conceptual site plan. Any area not assigned to Phase I will be available for future development for an aggregate area of approximately 15 acres. The first building will be located in the upper northwest corner of the Harbor-UCLA Medical Center Campus.

In order to carry out the above-mentioned goals and develop the bioscience technology park, the County will grant TLI the Option for a 15-acre portion of the Harbor-UCLA Medical Center Campus, in a form approved by County Counsel, which will include, without limitation, the terms outlined in Attachment 1. The Option term for Phase I will be 15 years and TLI will have 5 years to complete each site. For TLI to exercise the Option for all three sites in Phase I, TLI must satisfy the following Tier 1 conditions within two years of the effective date of the Option (which is the date the Option is executed which must be on or before December 31, 2020):

Tier 1 Conditions, each of which need approval by the County:

- Conceptual Site Plan for the development;
- Preliminary Phasing Plan;
- Parking Plan addressing parking for each new building, including construction parking, and the location of any replacement parking;
- Relocation Plan explaining how and where TLI or its sublessee will relocate all County personnel, furniture, fixtures, and equipment and operations in the affected buildings to acceptable, non-temporary replacement space, approved by the County that will be located on the Harbor-UCLA Medical Center Campus;
- Utility Plan;
- Qualifications and experience of potential developers;
- Form of Reciprocal Easement;
- TLI to have signed off on the title and environmental condition of the real property and investigated the condition of the existing structures; and
- REMC approval of the Option and ground lease form.

Once an option is exercised for a specific building, the following Tier 2 conditions must be met prior to the execution of a ground lease for a specific building site:

Tier 2 Conditions:

- Written notice of option exercise for a particular site;
- County approval of legal description, design plans, and construction documents (including signage and landscape plans) and the form of sublease agreement for the particular site;
- Building and improvements for the particular site has all permits and is ready to start construction;
- The County has received evidence that the financing is in place and demonstrates that there are sufficient funds to construct the proposed project on the particular site;
- Updated phasing, both interim and final parking, utility, and relocation plans are approved by the County;

- Compliance with the applicable relocation and parking plans for the particular site;
- County approval of a leasing and operation plan to assure a minimum amount of space in the proposed building will be made available to lease to second stage bioscience companies;
- Evidence that TLI remains in good standing as a 501(c)(3) non-profit organization and there are no defaults under any prior ground lease between TLI and the County;
- Any prior building being developed must be completed or be on schedule for completion; and
- County approval of the ground rent to be paid for the particular site.

Future development of the remaining acres will be subject to and contingent upon environmental review under the California Environmental Quality Act (CEQA) and the Board's approval after compliance with CEQA. Subject to CEQA compliance and Board approval for the future development, the County and TLI will amend the Option for an additional 10-year term. Each future development will also need to meet the Tier 1 and Tier 2 conditions.

The form of each ground lease for a particular site shall be based on the existing ground leases currently existing between TLI and the County for space on the Harbor-UCLA Medical Center Campus except for the differences described on Attachment 2 and shall have the following major terms and conditions, all subject to approval as to form by County Counsel:

Ground Lease(s) terms:

- A 55-year term, with two, 20-year options to extend.
- Ground rent paid to the County shall be an amount equal to 50 percent of the rent (including any participation rent) that is paid to TLI by a third-party sublessee under any sublease. The rent will only exclude pass-through amounts for real property taxes, utilities or other pass-through costs that are paid to third parties. The County shall have the right to approve the ground rent paid to the County and as part of its approval process for each ground lease, the County has the right to obtain an appraisal of the site in question to confirm that the rent is not less than 50 percent of the fair market rental value of the particular site.
- TLI will be required to use the remaining 50 percent of the rent that is paid to TLI by a third-party sublessee under any sublease, excluding any pass-through costs, to fund Board approved community benefits programs. These community benefit programs may include (i) health and science programs in the local community, education programs, youth and economic development programs and other related activities that are either new programs or demonstrable extensions or expansions of existing programs, (ii) programs that support bioscience start-up companies and

programs that provide for workforce training programs in disadvantaged and underserved communities in the County, and/or (iii) TLI's new or expanded health- and science-related activities, including new research and development activities, as adopted from time to time by TLI's Board of Directors. The list of community benefits programs shall be submitted by TLI to the County every three (3) years for review and approval.

- Primary use of the leased premises shall be for biotech start-ups and early stage biotech companies with other permitted uses including biomedical development, medical research and development, wet and dry labs, life science education and training, and governmental uses.
- TLI to provide completion guaranty and payment and performance bonds from contractor as required by the County.
- County approval rights for subleases, including a sublease to a developer.
- Compliance with prevailing wage and local hiring requirements.
- LEED Gold (or the then current County required standard) certification for improvements.
- The sublessee developer will be required to construct sidewalks, curbs, and gutters and plant street trees in the public right-of-way adjacent to the particular site as part of its construction of the improvements for each building.
- The sublessee developer will comply with the West Carson TOD Specific Plan along Carson Street and Normandie Avenue.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: Strategy II.1-Drive Economic and Workforce Development in the County and Strategy III.3.1 - Maximize Revenue; and Objective III.3.2 - Manage and Maximize County Assets. In this case, the creation of the bioscience technology park will generate construction jobs and biotech jobs by providing space in Los Angeles County for newly emerging biotech companies and by providing a funding mechanism for community benefits.

FISCAL IMPACT/FINANCING

Any ground rent received by the County from the ground leases will be deposited into the County's Non-departmental Revenue budget unit.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The nonprofit TLI, formerly known as LA BioMed, has been located at the Los Angeles County Harbor-UCLA Medical Center Campus for nearly 70 years, and has worked in partnership with the County generating new medical paradigms, diagnostics, therapies, and devices for use all over the world. TLI currently leases an approximately 11-acre portion of the Harbor-UCLA Medical Center Campus pursuant to multiple ground leases with the County. TLI recently completed a new 72,000 square foot medical research laboratory, including a 18,000 square foot bioscience start-up incubator. TLI has made many significant medical discoveries, including widely used tests for cholesterol levels, male birth control pills, treatments for Sickle Cell Disease and breakthroughs addressing urban health issues such as diabetes and childhood obesity. TLI is actively involved in global efforts to develop treatments and vaccines for COVID -19.

Pursuant to Government Code section 26227, the Board may make available real property not needed for County purposes to non-profit entities for the operation of programs which serve public purposes and are necessary to meet the social needs of the populace of the County. The County is currently using the property depicted on the site plan. Prior to the commencement of a ground lease for a specific site on the site plan, TLI must provide acceptable non-temporary space on the Harbor-UCLA Medical Center Campus to relocate any and all displaced County personnel, parking, furniture, fixtures, equipment and operations pursuant to the County-approved Relocation Plan as more particularly described in Attachment 1. The County will not bear any costs in implementing the County-approved Relocation Plan unless the County elects, in its sole discretion, to sub-sublease space in any of the buildings developed as part of the Project, in which case the space in such building will be provided to the County at no rent and the County will negotiate any other terms of such sub-sublease with the sublessee developer. Accordingly, during the time of possession of the specific site by TLI, the property will not be needed for County purposes.

On December 17, 2019, the Board authorized the termination of a lease with Children's Institute on a portion of the Harbor-UCLA Medical Center Campus and the acquisition of the building constructed by Children's Institute for a purchase price, including closing costs, not to exceed \$2,264,643. As part of the Board action, the Board recognized that the intent was for the Public Works to utilize the Children's Institute building in connection with the proposed redevelopment of the Harbor-UCLA Medical Center Campus. Should the County not need the building for such purpose in the future, the property and building may be made available for development of the bioscience technology park subject to the condition that the Department of Health Services (DHS) is first reimbursed the total cost incurred to acquire the Children's Institute building. Relocation of County staff and operations to accommodate the use of the former Children's Institute building and property for the

bioscience technology park will be addressed in the Tier 1 Relocation Plan, and TLI's obligation to relocate County staff and operations at its expense will serve to satisfy the acquisition cost reimbursement requirement.

The bioscience technology park will produce County-wide economic, academic, and social benefits on a portion of the Harbor-UCLA Medical Center Campus which has not been identified for any County improvements as part of the Harbor-UCLA master plan replacement project. TLI will be required to use 50 percent of the rent paid to TLI by a third-party sublessee under any sublease, excluding any pass-through costs, to fund Board approved community benefits programs, as described above in the description of the ground lease(s) terms. The ground lease(s) will also include provisions requiring: (i) TLI and its sublessees to meet local hire requirements in the construction of the bioscience technology park, and (ii) use good faith efforts to hire individuals and businesses from the local community in connection with operations within the site. TLI and its sublessees will also be requested to work with the County to identify opportunities within the site such as seminars, classes and programs which include community involvement and access.

Prior to the execution of the Option, the Chief Executive Office, Real Estate Division will present the Option and the ground lease form to the REMC.

ENVIRONMENTAL DOCUMENTATION

On December 20, 2016, your Board approved the Harbor-UCLA Medical Center Campus Master Plan ("Master Plan") project, certified the final EIR for the Master Plan project, and adopted a Mitigation Monitoring and Reporting Program (MMRP) and Findings of Fact and Statement of Overriding Considerations for the Master Plan project, in compliance with CEQA. Public Works filed a Notice of Determination with the Los Angeles County Clerk on December 21, 2016. The EIR for the Master Plan project analyzed the development of new bioscience technology park building(s) up to 250,000 square feet on the western portion of the Property.

The recommended actions, which grant TLI an Option to develop a bioscience technology park consisting of three buildings and other improvements totaling 250,000 square feet on approximately seven to nine acres at the Northwest portion of the Harbor-UCLA Medical Center Campus, are within the scope of the impacts analyzed in the previously certified EIR.

There are no changes to the project, or to the circumstances under which the project is undertaken, that require further review under CEQA. Once design is complete, and prior to implementing the proposed project, the County will review the project to determine whether further findings under CEQA are necessary.

The MMRP, Findings of Fact and Statement of Overriding Considerations which were adopted at the time of certification of the final EIR will continue to apply. The required fee, if any, to the California Department of Fish and Wildlife was paid for the previously certified EIR.

Upon the Board's approval the Chief Executive Office will file a Notice of Determination with the County Clerk in accordance with section 21152 of the California Public Resources Code.

The location of the documents and other materials, constituting the record of the proceedings upon which the Board's decision is based in this matter, is the County of Los Angeles Chief Executive Office located at the Kenneth Hahn Hall of Administration, Room 754, 7th Floor, Capital Programs Division.

Also on the agenda for November 10, 2020, Public Works is recommending certification of two separate EIR Addenda for the Medicine Substation Revision and Harbor-UCLA Medical Center Campus Master Plan Revisions for the Harbor-UCLA Medical Center Campus Master Plan final EIR. There are no changes proposed for the bioscience technology park in the EIR Addenda and the recommended actions herein do not rely on the EIR Addenda.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Neither the Option nor the ground leases will impact any current services in the area. To the extent TLI desires to exercise its option on areas then in use by the County, TLI will be required to relocate any affected staff, furniture, fixtures, and equipment and County operations, including securing replacement space, at no cost to the County; provided, however, if the County agrees to be temporarily housed in one of the new buildings in the bioscience technology park, the County will pay no base rent and the Chief Executive Officer, or her designee, will negotiate any other terms of such sub-sublease.

The Honorable Board of Supervisors
November 10, 2020
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CONCLUSION

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

Respectfully submitted,

FESIA A. DAVENPORT
Acting Chief Executive Officer

FAD:JMN:DPH
DL:JLC:MR:gw

Attachments

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

ATTACHMENT 1

Term Sheet

Option to Lease Agreement

This Term Sheet sets forth the material terms and conditions to be incorporated into a definitive Option Agreement (“Option Agreement”) to be entered into between The County of Los Angeles (“**County**”) and the Lundquist Institute for Biomedical Innovation at Harbor-UCLA Medical Center (“**TLI**”). The Option Agreement shall grant an option to TLI to ground lease an approximately 15-acre portion (the “**Premises**”) of the property known as Harbor-UCLA Medical Center (“**Medical Center**”), which is within the boundaries of the area shown on Exhibit “A” hereto (the specific 15 acre portion of the property will be determined by a survey of the property prior to the completion of the Option Agreement), for the development of a bioscience technology park (the “**Project**”). The Option Agreement will include the following terms and conditions:

Premises:

- County shall grant TLI an exclusive, personal option (“**Option**”) to ground lease the Premises in phases (each such portion of the ground leased Premises, a “**Site**”) under multiple ground leases (each, a “**Ground Lease**”) subject to certain conditions (collectively, “**Tier 1 and Tier 2 Option Conditions**”) described below. Each Site will be limited to the area required for the respective building and related improvements to be constructed in that Phase, including related parking areas and roadways. Each Ground Lease will be a separate obligation and will not be cross-defaulted. Any assignment by TLI of its rights under the Option Agreement will be subject to the County’s prior approval in its discretion.
- The development of the Project will be undertaken through subleases to one or more third party developers (referred to herein as a “**Sublessee**” or “**Developer**”). Consistent with the assumptions made in the Final Environmental Impact Report certified by the County Board of Supervisors (“**Board**”) on December 20, 2016 (“**EIR**”) for the Medical Center, for the period commencing upon the first Ground Lease’s effective date through 2023, development of the Sites will be limited to 125,000 gross new square feet, and the completion of any additional development beyond the first 125,000 gross square feet (up to a total of gross new 250,000 square feet) must occur subsequent to 2023. The parties understand that pursuant to the EIR, a maximum of 250,000 gross new square feet is permitted for the development of a bioscience technology park on the Premises, irrespective of any currently existing County buildings which are demolished. Any square footage resulting from the demolition of existing buildings as of the effective date of the Option shall be available for the County to use for development on County premises within the Medical Center (not including the Premises).
- A legal description and surveyor’s depiction of the Premises shall be attached to the Option Agreement.
- Until TLI has exercised its Option, executed a Ground Lease with respect to a given Site and satisfied all of the Tier 1 Conditions and Tier 2 Conditions with respect to such Site, the County will have the right to use such Site without any restrictions, so long as such use does not make the exercise of the Option as to such Site impracticable or materially more expensive for TLI.

Conceptual Site Plan: As part of the Tier 1 Conditions described below, TLI will submit to the County, for its approval, a Conceptual Site Plan for the 250,000 gross new square feet of development of the Project. TLI may revise the Conceptual Site Plan from time to time, subject to County CEO review and

approval, and such approved revisions shall be incorporated into a “**Revised Conceptual Site Plan**” after County CEO approval.

Project Description: The Option Agreement will also include as an exhibit a narrative describing the Project (“**Project Description**”). The Project will be developed in two phases. The first Phase of the Project (“**Phase I**”) will consist of 3 new buildings and associated parking areas (each referred to as a “**Building**”) that will be constructed on approximately 7 to 9 acres, to be determined upon completion and approval of the Conceptual Site Plan, with any area not assigned to Phase I to be available for future development, for an aggregate area of approximately 15 acres. The first building will be located in the upper northwest corner; any change to the location of the Buildings in Phase I will require County’s approval. TLI or the Developer may elect to develop the three Buildings in Phase I in such order and containing such square footage as they determine to be appropriate based on market conditions; provided that (i) no Building will contain less than 70,000 gross square feet and (ii) the total size of all of the Buildings in Phase I will not exceed 250,000 gross square feet. Each Building will have parking areas providing striped parking spaces at or exceeding the applicable code requirements for the uses in such Building.

Future Development: During the development of Phase I, provided that TLI is not then in default under the Option Agreement or any Ground Leases for the Sites, TLI may apply for additional development entitlements to add additional improvements to the Project on the Premises, which improvements would be constructed after development of the 250,000 gross new square feet in Phase I is completed (any such future entitled development on the balance of the Premises is referred to as the “**Future Development**”).

The Future Development shall be subject to and contingent upon environmental review under the California Environmental Quality Act (“**CEQA**”) and is contingent upon the Board’s approval after compliance with CEQA. TLI shall be responsible for payment of all costs related to such CEQA review and other entitlement costs. The Option Agreement will not constitute or evidence an approval by County of, or commitment of County to, any action for which prior environmental review is required under CEQA. County retains the absolute sole discretion to make decisions under CEQA with respect to any additional development on the Premises beyond 250,000 gross new square feet. There shall be no approval or commitment by County regarding the Future Development, unless and until County undertakes required environmental review as required in compliance with CEQA. Should the Board approve any Future Development, TLI shall have the right to exercise the Option to ground lease Sites on the balance of the Premises where the Future Development will occur, subject to compliance with Tier 1 and Tier 2 Conditions.

Option Term. Within two (2) years after the date of execution of the Option Agreement, which must occur, if at all, by December 31, 2020 (the “**Effective Date**”), TLI shall satisfy all the Tier 1 Conditions for Phase I. Further, the development of each Site within Phase I shall be developed in accordance with the following schedule:

- A. **Site 1.** TLI shall (i) satisfy all Tier 2 Conditions for the first building in Phase I of the Project (“**Building 1**”), and exercise the Option for Site 1 and enter into a Ground Lease for such Site with County within two (2) years of satisfying Tier 1 Conditions; and (ii) complete construction and obtain a temporary or permanent certificate of occupancy for the base shell and core together with a permanent certificate of occupancy for at least one occupied tenant space (collectively, “**C of O**”) for Building 1 in accordance with the Phasing Plan, as that term is described under “Tier 1 Conditions” below, within five (5) years of the Effective Date. Building 1 must be located on the Site generally at the corner of Carson Street and Normandie Avenue as indicated on the Initial Conceptual Site Plan.

- B. **Site 2.** Provided that TLI is not then in default under the Option Agreement or the Ground Lease for Site 1, TLI may commence satisfaction of the Tier 2 Conditions for second building in Phase I of the Project (“**Building 2**”) at any time. TLI shall (i) satisfy all Tier 2 Conditions for Building 2, and exercise the Option for Site 2 and enter into a Ground Lease for Site 2 with County no later than three (3) years from the issuance of the C of O for Building 1; and (ii) complete construction and obtain a C of O for Building 2 within five (5) years from the issuance of the C of O for Building 1; provided, however, that TLI shall not commence construction of Building 2 until the County issues a building permit for Building 1.
- C. **Site 3.** Provided that TLI is not then in default under the Option Agreement or the Ground Leases for Sites 1 and 2, TLI may commence satisfaction of the Tier 2 Conditions for the third Building in Phase I of the Project (“**Building 3**”) at any time. TLI shall (i) satisfy all Tier 2 Conditions for Building 3 and exercise the Option for Site 3 and enter into a Ground Lease for Site 3 with County no later than three (3) years from the issuance of the C of O for Building 2; and (ii) complete construction and obtain a C of O for Building 3 within five (5) years from the issuance of the C of O for Building 2; provided, however, that TLI shall not commence construction of Building 3 until the County issues a building permit for Building 2.
- D. **Timing of Future Development.** TLI shall begin the CEQA process for the entitlement of the Future Development, with the County as the Lead Agency, no later than the completion of the construction of Building 1. If TLI obtains entitlements for any Future Development, TLI and County shall enter into a mutually acceptable amendment to the Option Agreement providing a schedule of performance for TLI to satisfy the Tier 1 and Tier 2 Conditions for the Future Development and for TLI to complete construction of any buildings, parking areas, and other infrastructure in the Future Development. The outside date for TLI to exercise the Option to Ground Lease the first portion of the Premises for the Future Development shall be the fifteenth (15th) anniversary of the Effective Date of the Option Agreement. In no such case shall the period for TLI to (i) exercise the Option to Ground Lease all of the Premises from the County and (ii) complete construction of all of the Future Development improvements exceed ten (10) years after issuance of a C of O for Building 3 in Phase I.

In sum, TLI shall have a maximum term of fifteen (15) years to develop Phase I of the Project; and, subject to the Board’s approval and CEQA clearance for any Future Development, an additional ten (10) years after the 15 year period for Phase I to complete the Future Development. TLI shall be entitled to accelerate the construction of any Phase I of the Project, at its election, subject to the limitations on timing of any development in excess of the first 125,000 square feet as described under “Premises” above.

Failure by TLI to exercise the Option as to any Site by the foregoing deadlines will result in a loss of the Option as to that Site and any subsequent Site in the Premises.

Option Consideration: An option fee of \$250,000 shall be due and payable by TLI to County in consideration for County’s execution of the Option Agreement. The option fee shall be paid as follows: (i) \$150,000 payable upon full execution of the Option Agreement and \$100,000 payable upon full execution of the first Ground Lease. The option fee shall be non-refundable and shall be fully earned by the County by its execution of the Option Agreement.

Option Conditions: The Option shall be exercisable by TLI with respect to the Ground Lease of a specific Site upon satisfaction of the following Option Conditions:

- **Tier 1 Conditions:**

- Within two (2) years after the Effective Date, TLI shall obtain County's approval of the following items addressing the development of the Project on the entire Premises:
 - a) A Conceptual Site Plan for Phase I of the Project showing the location and size of each of the three proposed Buildings, parking areas, landscaping, signage, circulation and access.
 - b) A preliminary Phasing Plan for Phase I of the Project outlining the sequence of development on the Premises, which details each of the three Sites proposed to be ground leased by TLI in Phase I (the Phasing Plan may be updated from time to time).
 - c) A Parking Plan for Phase I of the Project addressing parking for each Building in the Project on each Site, including construction parking, and the location of any replacement parking to be provided. The Parking Plan for each Building shall demonstrate that the Building being developed has sufficient parking to support the uses of that Building and any prior Buildings that have been completed in Phase I without relying on or using any parking areas on the remainder of the Medical Center. In no event will the total parking count on the Medical Center Campus be reduced as a result of the Project improvements or the relocation of the existing County facilities. In order to avoid use of County parking facilities by employees and visitors to the Project buildings, so long as the County provides free parking on the Medical Center Campus, TLI and the Sublessee will be required to obtain County's approval to charge tenants and visitors for parking for any Building in the Project.
 - d) A Relocation Plan for County's then existing uses of any buildings or parking areas on the Premises at the time of the Relocation. The Relocation Plan will include, without limitation, the following concepts: (1) TLI or Developer will relocate all County personnel, FF&E and operations in the buildings affected by the Project to acceptable non-temporary replacement space approved by the County that will be located on the Medical Center Campus; (2) the County shall not bear any costs in implementing the Relocation Plan unless the County elects, in its sole discretion, to sub-sublease space in any of the Buildings developed as part of the Project, in which case the space in such building will be provided to County at no rent and the County will negotiate any other terms of such sub-sublease with the Developer; (3) the relocation of the County's existing facilities and/or parking on each Site that is being developed in Phase I must be completed prior to the commencement of any work on the impacted Site or any other work by TLI that interferes with the existing facilities and/or parking with respect to such impacted Site; (4) the Ground Lease from the County to TLI for the Site will not take effect until such relocation has been completed so that the County is never required to be on a lease-back relationship with TLI with respect to the existing facilities on such impacted Site; and (5) the Relocation Plan will address how the impacted parking areas on each Site will be replaced by TLI along with the relocation of the buildings and other facilities for each building in Phase I. TLI shall not be required to relocate personnel, FF&E and operations in buildings that the County has permanently vacated, provided that TLI will remain responsible, at its cost, for demolition of any such vacated buildings that are on a Site that is subject to a Ground Lease, at the time such Ground Lease becomes effective.

- e) A Utility Plan showing how wet and dry utilities will connect to the Project and confirm that utilities for the Project, other than electricity, are separate from utilities needed for the County's use, and TLI is responsible for the cost of all utilities to the Premises.
- f) The qualifications and experience of one or more potential developers to develop the Project on the Site(s), which developer(s) will sublease the Site(s) from TLI and be the Sublessee(s).
- g) A form of reciprocal easement agreement to be recorded against the Premises prior to TLI's execution of the Option for the Building 1 Site that will address access, circulation, parking, and other issues across the Sites that will be developed and the Medical Center; provided, however, such reciprocal easement agreement shall not have any effect as to the balance of the Premises unless and until TLI exercises an Option and executes a Ground Lease as to a portion of the Future Development site.
- h) TLI shall have reviewed and signed off on title to the Premises and the environmental condition of the Premises.
- i) TLI shall have investigated the condition of all existing structures on the Premises and agrees to be responsible for the cost of demolition thereof during implementation of the Project (including reimbursement of County, at the time of execution of the Ground Lease, for any costs of demolition of such structures that may be undertaken by County prior to the commencement of the Ground Lease for such Site in preparation for making the Premises available for the Project).
- j) The County CEO shall have secured approval of the Project from the County's Real Estate Management Commission.
- o The County shall use commercially reasonable discretion, in its capacity as the owner of the Premises, in its review and approval of the Tier 1 Conditions. Upon TLI's satisfaction of the Tier 1 Conditions, TLI shall have the right to exercise the Option to Ground Lease a Site subject to its completion of the Tier 2 Conditions with respect to such Site. All approvals should be based on the concept of logical progressions from prior approved plans. County will have 60 days after submission of a complete package of information which provides the information set forth above in which to approve or disapprove of the same.

- **Tier 2 Conditions:**

- o Prior to the execution of a Ground Lease for a Site, TLI shall have satisfied all of the Tier 1 Conditions and, additionally with respect to the Site at issue, the following Tier 2 Conditions shall be satisfied:
 - a) TLI shall provide written notice to County of TLI's exercise of the Option with respect to the Site which TLI desires to ground lease; provided that the execution of the Ground Lease will occur within 30 days after TLI demonstrates to County's reasonable satisfaction that all of the Tier 2 Conditions for such Site have been satisfied;
 - b) TLI shall obtain County's approval of the following plans and documents which shall address development specific to such Site: (i) legal description and surveyor's depiction; (ii) architectural plans for the building(s), including schematic design plans, design development documents, and construction documents (including signage plans and landscape plans); and

- (iii) form of sublease (“**Sublease**”) for such Site including approval of the proposed Developer/Sublessee, if not previously approved. These plans and documents may be submitted in sequential order with each approval based on the logical progression from prior approved plans and documents. The Ground Lease will become effective upon the execution of the approved Sublease by TLI and Sublessee (and a copy of the executed Sublease delivered to County) which must be delivered within 15 days after execution of the Ground Lease; if required by TLI or the Sublessee, County will deliver the executed Ground Lease into escrow to be released upon delivery of the fully signed Sublease into the escrow.
- c) TLI shall demonstrate that the Building and any other improvements to be constructed on the Site at issue are ready to start construction with excavation, grading, and/or foundation permits issued by the County; provided, however, the County, in its capacity as the owner of the Premises, shall reasonably cooperate with TLI’s efforts to obtain same;
 - d) TLI shall demonstrate that the debt and equity capitalization of the Building and other improvements to be constructed on the Site at issue has been assembled and has been submitted to the County, along with a final budget for construction of all of the improvements to be constructed on the Site at issue, to demonstrate that there are sufficient funds to complete such construction;
 - e) Any updated Phasing Plan, Parking Plan, Utility Plan or Relocation Plan must be approved by County. If such updated plan(s) are reasonably consistent with the plans approved by County as part of the Tier 1 Conditions, such approval shall not be unreasonably withheld, conditioned or delayed. If such updated plan(s) are materially different than the plans approved by County as part of the Tier 1 Conditions, the County shall use commercially reasonable discretion, in its capacity as the owner of the Premises, in its review and approval of such updated plan(s); County will have 60 days after submission of a complete revised Phasing Plan, Parking Plan, Utility Plan or Relocation Plan, as applicable, in which to approve or disapprove of the same.
 - f) The Relocation Plan and the Parking Plan for the Site in question must be complied with; provided, however, that nothing in the Option Agreement shall require TLI physically to relocate the then current County uses on a Site until the Ground Lease for that Site has been executed and TLI is ready to commence demolition of any existing County improvements on the Site which are the subject to the Relocation Plan and/or Parking Plan for such Ground Lease, without limiting TLI’s obligation to make arrangements for the replacement space for such County uses in advance of such date so the relocation can occur.
 - g) TLI shall have submitted to County a leasing and operation plan, which has been approved by Developer, to assure that a minimum amount of space in the Building to be developed on the Site will, at all times, be made available to lease to second stage bioscience companies (the “**Lease Turnover Plan**”). County will have 90 days after submission of the Lease Turnover Plan in which to review and approve or disapprove the same using its commercially reasonable discretion. Once approved, such Lease Turnover Plan will be incorporated into the Ground Lease for such Site and the Sublessee will be obligated to comply with the same.
 - h) TLI shall be in good standing as an IRC Section 501(c)(3) non-profit organization at the time of execution of the Ground Lease and there must be no existing event of default by TLI under any prior ground lease between TLI and the County.

- i) Any prior Building(s) being developed by a Sublessee must be completed or be on schedule for completion.
- j) The Ground Rent for the Site in question must be approved by the County and the determination of the fair market value of the Site may be determined by the County's appraiser (should the County elect to cause such an appraisal to be conducted), as provided under the "Rent" section below.
- o County's approval of the proposed plans and documents submitted by TLI for the satisfaction of the Tier 2 Conditions shall not be unreasonably withheld, conditioned or delayed, except as otherwise noted above, provided that the same are reasonably consistent with the plans and documents approved by County in connection with TLI's satisfaction of the Tier 1 Conditions and the form Ground Lease attached to the Option Agreement. Except as noted in subsections (e), (f), (g) and (j) above, County's discretion shall be limited to consistency with prior Tier 1 approvals by the County.

Form of Ground Lease: A form of Ground Lease shall be attached to the Option Agreement. The Ground Lease will include a Schedule of Performance with milestones for the construction of the Project but those milestones will not be conditions to the effectiveness of the Ground Lease. The form Ground Lease also will set forth those obligations that must be performed by the Developer(s) under the Sublease(s) for Sites to be developed, including, without limitation, (1) a completion guaranty in favor of County with respect to the construction of the Building from a credit-worthy entity affiliated with Developer acceptable to County, in its reasonable discretion, on a form mutually acceptable to the parties, which guaranty will be subordinated to the rights of the construction lender to enforce its completion guaranty against such guarantor, and (2) as may be required by County based on the identity of the Developer and the General Contractor performing the construction of a Building, payment and performance bonds from the Developer's General Contractor covering 100% of the hard costs of the Building to be built on the Site in question naming the County as an obligee (together with TLI, the Sublessee and the lender).

Upon TLI's satisfaction of the Option Conditions, TLI shall submit to County a draft Ground Lease for the applicable Site to be demised, which draft shall incorporate any Site-specific considerations necessary to implement the plans approved by County in connection with TLI's satisfaction of the Option Conditions, but which shall otherwise substantially conform to the approved form of Ground Lease.

Each Ground Lease will include, among other provisions, the following requirements:

- a. The Sublessee will be required to construct sidewalks, street trees, curbs, and gutters in the public right-of-way adjacent to the leased Site as part of its construction of the improvements for each Building; and
- b. The Sublessee will comply with the West Carson TOD Specific Plan along Carson Street and Normandie Avenue.

Each Ground Lease will also include provisions requiring: (i) TLI and its Sublessee(s) to meet local hire requirements in the construction of the bioscience technology park, (ii) use good faith efforts to hire individuals and businesses from the local community in connection with operations within the Site, and (iii) requesting TLI and its Sublessee(s) to work with the County to identify opportunities within the Site such as seminars, classes and programs which include community involvement and access.

Rent. The rent to be paid under the Ground Lease will be consistent with the following formula for ground lease rent:

1. County will receive from TLI as ground rent (“**Ground Rent**”) for each Ground Lease an amount equal to 50% of the net rent (including any participation rent) that is paid to TLI by the third party Sublessee under the Sublease, subject to the following clarifications and exceptions: the Ground Rent shall include 50% of any payments from the Sublessee to TLI during the Ground Lease term, including any payments during construction and lease up periods, excluding any and all pass-through amounts for real property taxes, utilities or other pass through costs that are paid to third parties. TLI will pay the County the Ground Rent within 30 days after receipt of the rent payment(s) from Sublessee. The remaining 50% of the Ground Rent will be used by TLI solely to fund the approved Community Benefit Programs.

In determining whether to approve the Ground Rent the County will have the right to obtain a fair market value appraisal of the Site in question in order to confirm that the Ground Rent payable to the County is not less than 50% of the fair market rental value of the Site in question, as determined by such appraisal.

2. If the Sublessee is a related party to TLI (e.g., (i) a company that is affiliated with a member of the Board of Directors of TLI; (ii) an entity in which TLI or a member of its Board of Directors owns an interest, direct or indirect; or (iii) an entity in which TLI or its Board of Directors controls or is under common control (any of the foregoing, a “**Related Party**”)), then the sublease rent payable by such Related Party Sublessee to TLI shall be subject to review by County to verify that the sublease rent to be paid to TLI is substantially equivalent to the sublease rent that an unrelated third-party sublessee/developer would pay to TLI for such sublease. In such event, the cost of any appraisal to determine the fair market sublease rent for such sublease shall be shared 50/50 by County and TLI. If the appraisal determines that the Related Party Sublessee is paying a materially below-market rent to TLI, then County shall be entitled to a Ground Rent equal to 50% of the fair market sublease rent for such sublease, as determined by the appraisal.
3. If TLI or a Related Party is a sublessee of space (“**Space Lessee**”) within a Building (“**TLI/Related Party Sublease**”) from a Sublessee, the County shall have the right to verify that the space rent payable pursuant to the TLI/Related Party Sublease is a fair market rent and is consistent with the rent payable by other subleases of space with such Building. The cost of the appraisal required by County to determine the fair market rental value of the TLI/Related Party Sublease shall be shared 50/50 by County and TLI. If the County determines that the TLI/Related Party Sublease rent is less than the fair market value rent and is inconsistent with rent payable by other subleases of space within such Building (such shortfall in rent is the “**Rent Shortfall**”), the Ground Rent payable by TLI to the County shall be increased by an amount equal to 50% of the Rent Shortfall.
4. TLI will certify to the County on an annual basis as to the amount of rent paid to TLI by each Sublessee, including any participation rent, and will confirm that none of the Space Lessees in the Project is a Related Party to TLI (nor TLI or its affiliate), or if any such Space Lessee is a Related Party to TLI (or TLI or its affiliate), will certify as to the amount of the space leased to such Space Lessee, the rent being paid by such tenant, and the amount of the Rent Shortfall, if any, that such Space Lessee has received from the fair market value rent for its space.

Community Benefits. As additional consideration for each Ground Lease and as an ongoing covenant of TLI under each Ground Lease, TLI will use the remaining 50% of the rent (including any participation rent) that is paid to TLI by the third party Sublessee under each Sublease (that is retained by TLI) excluding any and all pass through amounts for real property taxes, utilities and other costs that are paid to third parties (the “**Net Sublease Proceeds**”) to fund Community Benefits that are approved by the County Board of Supervisors. “**Community Benefits**” shall include (i) health and science programs in the local community, education programs, youth and economic development programs and other related activities that are either new programs or demonstrable extensions or expansions of existing programs and (ii) programs that support bioscience start-up companies and programs that provide for workforce training programs in disadvantaged and underserved communities in the County; and (iii) TLI’s new or expanded health- and science-related activities, including new research and development activities, in each case, as adopted from time to time by TLI’s Board of Directors, subject in each case to approval by the Board of Supervisors. The list of Community Benefits shall be submitted by TLI to the County every three (3) years for review and for approval by the County Board of Supervisors.

County Cooperation: County shall cooperate, in its capacity as the owner of the Premises, with TLI, at TLI’s request and cost, in TLI’s efforts to satisfy the Option Conditions. Such cooperation may include granting TLI reasonable access to the Premises during the Option term, providing any reasonably requested documentation necessary for TLI to conduct diligence and/or studies in connection with the satisfaction of the Option Conditions, and submitting applications for entitlements as the owner of the Premises so long as such entitlements do not affect County’s use of the Premises prior to the effective date of any Ground Lease.

Memorandum of Option Agreement: County and TLI shall cause a memorandum of the Option Agreement to be recorded in conjunction with the execution of the Option Agreement. The Memorandum shall be removed from title to the Premises on the expiration or earlier termination of the Option Agreement.

Oversight Budget: County shall, upon execution of the Option Agreement, prepare a budget (the “**Oversight Budget**”) indicating the Actual Costs (defined as the County’s actual internal and external costs) that the County reasonably anticipates it will incur related to the review of the Tier 2 Conditions to be satisfied by TLI and the preparation of the final Ground Leases. The Oversight Budget will not exceed the sum of \$100,000 for each Ground Lease (which amount will be adjusted as to each Ground Lease by the same percentage change as the percentage increase in the Consumer Price Index (All Urban Consumers) for Los Angeles-Long Beach-Anaheim, CA from the date of the Option Agreement through the date of the applicable Ground Lease. Upon receipt of the Oversight Budget from County, TLI shall deposit with County the total amount of the Oversight Budget and the County will use the Oversight Budget funds to cover its Actual Costs. The County may revise its Oversight Budget from time to time, subject to the foregoing maximum amount, in which case TLI shall deposit with County such additional amounts as are reasonably requested by County.

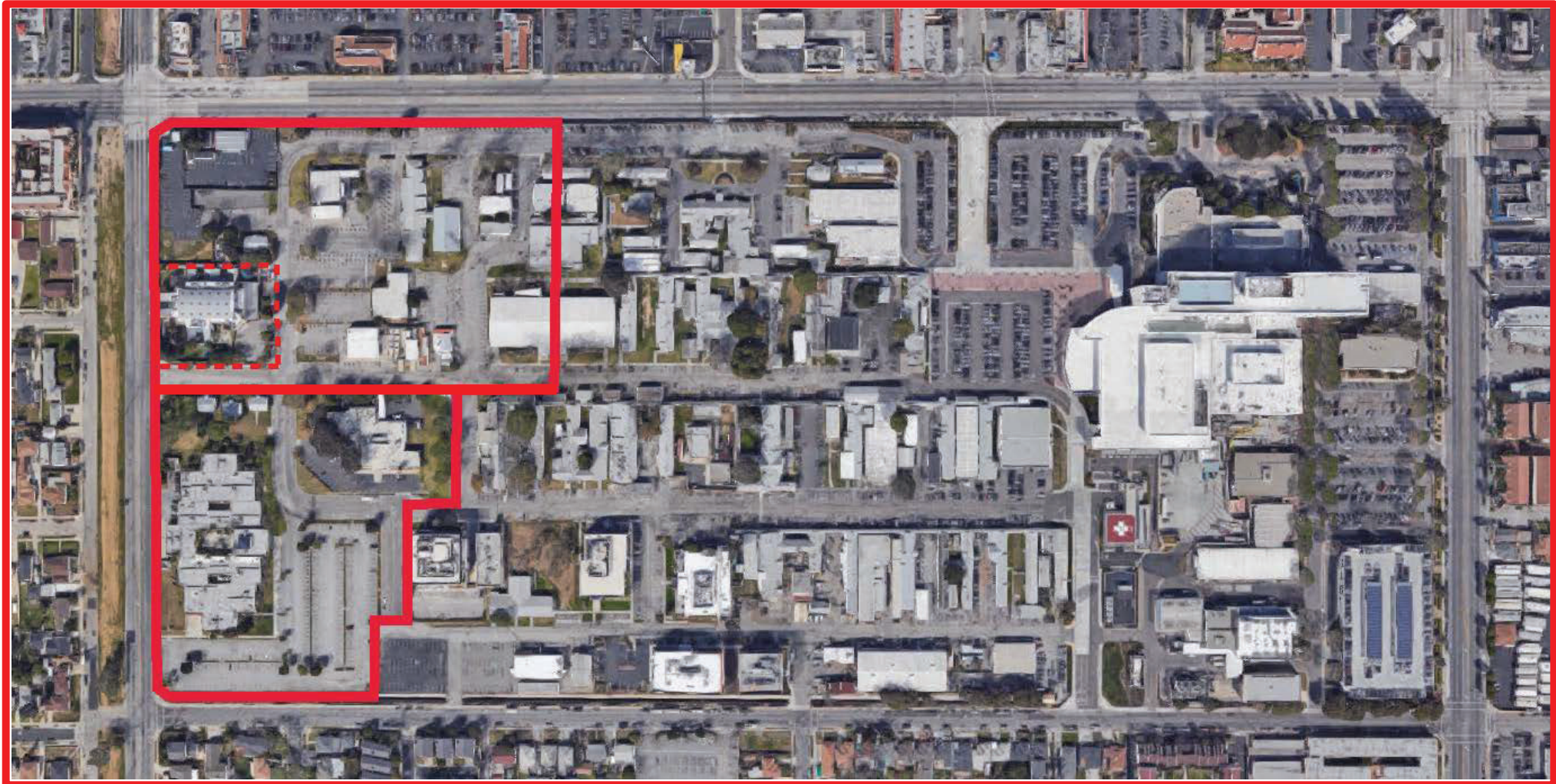
Standard Provisions. The Option Agreement shall include standard waivers and indemnities from TLI in favor of the County for comparable option agreements. County will provide limited representations and warranties regarding its authority to enter into the Option Agreement and Ground Lease, non-contravention, and due execution of the Agreement. County will convey the leasehold interest in each Site to TLI on an “as is” basis without any representations or warranties as to title, physical condition of any improvements, the environmental or soils conditions of the land, the suitability of the site for the proposed Buildings, or the zoning or entitlements for the Buildings; provided however, County shall provide any existing information and/or documentation in its possession that is reasonably requested by TLI with respect to such conditions as a matter of TLI’s due diligence. TLI will be given a Right of Entry

by the County to conduct all studies and investigations of the Premises that TLI may elect to conduct, at TLI's expense, during the satisfaction of the Tier 1 Conditions.

Exhibit “A”

Boundary Plan of Premises

EXHIBIT A - BOUNDARY PLAN



ATTACHMENT 2

Additional Ground Lease Terms (October 5, 2020)

Based on a review of the Amended and Restated Master Ground Lease Agreement for Development, Construction and Operation of Medical Research Facilities (referred to herein as the "Existing Lease") by and between the County of Los Angeles ("County"), as Lessor, and Los Angeles Biomedical Research Institute at Harbor-UCLA Medical Center, as Lessee, the following is a list of the key changes that the County believes should be made to the form of the Existing Lease and be included in the new form of ground lease (the "Lease") between the County and The Lundquist Institute ("Lessee") to be attached to the Option Agreement.

1. Term: The term of the Lease will be 55 years, with two 20-year options to extend. Each option will be conditioned on Lessee being in good standing, there being no default under the Lease, and Lessee demonstrating that it has provided the Community Benefits required by the Lease (the scope of such Community Benefits to be further discussed by the parties).
2. Rent: See Term Sheet Re Option Agreement.
3. Use: The permitted use of the site ("Premises" or "Biotech Park Campus") which will be located on the Harbor-UCLA Medical Center campus ("Medical Center Campus") will be consistent with the County's Motion:
 - a. The primary use of the Biotech Park Campus shall be for biotech start-ups and early stage companies; other permitted uses include biomedical development, manufacturing and related office use; medical research and development; wet and dry labs; life science education and training; government uses; code-required parking for uses (including any County uses) constructed on the Biotech Park Campus; and amenity space permitted for use by tenants on the Biotech Park Campus and Medical Center Campus, as provided in the approved Site Plan.
 - b. See Term Sheet Re Option Agreement regarding Lease Turnover Plan.
4. Property Management: Intentionally Omitted.
5. Public Relations: The Lease will include language to address advertising, media relations, press events, press releases and media outreach as provided herein. TLI shall be permitted to make any press or media release referencing the location of TLI or the Biotech Park Campus at Medical Center Campus or noting that the County owns the Medical Center campus. However, County must approve any press or media release that discusses any of the terms of the Lease or Option Agreement or the County's uses on the Medical Center Campus.
6. Medical Center Proximity Matters: The Lease will include language acknowledging the existence of certain defined "Medical Center Proximity Matters" including (a) the demolition, construction, operation, expansion, use, repair, maintenance, replacement, reconstruction of the Hospital and other existing and future facilities on the Medical Center Campus, and/or

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increased operations, use or provision of services by County and/ or the various other tenants on the Medical Center Campus; (b) the activities of County Parties in and around the Premises and the Hospital and other facilities on the Medical Center Campus; and (c) noise, vibrations, odors and lighting from the Hospital and other facilities on the Medical Center Campus, in each case provided that such matters are within the scope of customary activities typical for such medical center uses and shall not constitute a breach Tenant's right to quiet enjoyment of the Premises or other breach or default by County under the Lease Each Ground Lease will include a mutually acceptable form of waiver by TLI and the Sublessee.

7. Medical Center Impact Work: The Lease will include language providing that no construction of improvements, nor any maintenance or repair work or activities, shall be performed at any time by or on behalf of Lessee or any Sublessee, (a) within or on, from or in proximity to the Medical Center Common Areas (as that term will be defined in the Lease), roadways, or walkways unless suitable replacement access for vehicles and pedestrians is provided by Lessee or sublessee that is reasonably acceptable to County, (b) within 10 feet of any existing County building that is not being demolished as part of the project to be developed by Lessee under the Lease (the "Project"), (c) in such a manner that might reasonably be expected to significantly affect the use, operation, or access, of any Medical Center Campus facilities, or (d) unless at least 60 days advance notice of such work has been given to the Medical Center Campus administrator designated by the County. With respect to clause (c), construction, maintenance or repair work or activities shall only be deemed to significantly affect the use, operation, or access to or of any Medical Center Campus facilities if such work or activities are not in reasonable conformance with any construction plans, haul routes, laydown/staging plans, or similar documents previously reviewed and approved by County. County shall have the right to seek specific performance and/or injunctive relief for Lessee's breach of the foregoing, subject to Lessee's right to receive notice and opportunity to cure within 30 days after the notice (except in the case of an emergency involving a threat of harm to persons or property that must be remedied immediately to avoid or minimize such threat, in which case the 30 day period shall be reduced to 24 hours after such notice). The parties anticipate that the reciprocal easement agreement to be entered into for the Biotech Park Campus will address coordination of work by the County on the Medical Center Campus to minimize any interference with Lessee's use or occupancy of the buildings on the Biotech Park Campus as a result of the construction work to be done on the rest of the Medical Center Campus.
8. Prevailing Wages/Local Hire: Lessee and Sublessee will be required to comply with the County's requirements with respect to having a project labor agreement for construction jobs and payment of prevailing wages for construction jobs on the Project; Lessee and Sublessee will be required to comply with the applicable policies related thereto. In addition, the Lease shall include Local Targeted Worker provisions.
9. Tenant Defaults: The definition of a Lessee default should be revised to include: (i) Lessee's failure to pay Rent or any other monetary amounts when due following the expiration of notice and grace periods, (ii) abandonment (as defined under the CA Civil Code), (iii) failure to perform any other obligations within 30 days of notice from Lessor, (iv) blockage or impairment of access in violation of the Lease terms, (v) appointment of a receiver for Lessee, (vi) bankruptcy/assignment for the benefit of creditors by Lessee, (vii) failure to maintain required insurance, and (viii) failure to comply with the requirements of the Lease with respect to removing any mechanic's liens from title to the Premises.
10. LEED: The Lease should include language providing that, with respect to the initial improvements in each Phase, Tenant shall obtain and provide to County a written

certification from the USGBC pursuant to the requirements for USGBC's Leadership in Engineering and Environmental Design rating system for Existing Buildings: Operations and Maintenance ("LEED O & M Rating"), specifying that the Project is being operated and maintained in accordance with a LEED O & M Rating at or above Gold Level (or the level required by the Board at the time the Lease is executed). Thereafter, the Lessee shall be required to continually maintain its LEED O & M Rating [using the then-current version] and registration with the USGBC and provide the County with evidence thereof.

11. Retained Rights: The Lease will include language providing that the County reserves and retains all "Retained Rights." "Retained Rights" shall be defined in the Lease to include, without limitation, the right to install, construct, inspect, operate, maintain, repair, use, add, expand, increase and replace any new or existing improvement, structure or parking facility at or on the Medical Center Campus, and the right to place County-related signage within the Medical Center Common Areas, in each case, without interfering in any material way with Lessee's rights under the Lease. This will be an expansion of Section 3(B) of the Existing Lease.
12. Security: Section 9D of the Existing Lease will expressly state that the County is not obligated to provide any security services for the improvements under the Lease, and clarify that Lessee and Sublessee shall have the right, at their expense, to provide such security services for the Premises.
13. Insurance Coverages and Limits: The Lease will reflect the County's proposed insurance requirements.
14. Completion Guaranty/Bonding: As provided in the Option Agreement.
15. Casualty/Condemnation: The existing Condemnation provisions in the Existing Lease are acceptable. On the casualty provision, the following concept will be included in the Lease:
 - a. Either party may terminate the Lease if the Premises are substantially damaged (defined to mean damage to any of the Improvements requiring repair or restoration at a cost in excess of 50% of the per-damage replacement cost value of the damaged Improvements) during the last 5 years of the term, and
 - b. Lessee may terminate if the Improvements are damaged by a casualty that was not required to be insured against by Lessee, or the cost to Restore exceeds all available Insurance Proceeds, if any, by an amount in excess of 15% of the costs to Restore the Improvements.
16. Assignment/Subletting: The Lease will include language requiring any sublease to be in compliance with the Lease. The form of the Sublease and the Sublessee will be approved as provided in the Option Agreement. The language on assignment in the Existing Lease by Lessee must be revised to provide that there shall be no assignment of the Lease by Lessee without the consent of County in its sole discretion. Additionally, the Lease shall provide that any transfer of the Sublease to a sublessee which has not been previously approved by County shall be subject to County approval of the replacement sublessee in its reasonable discretion.
17. Oversight Budget: The Lease will include the Oversight Budget provisions that have been agreed to in the Option Agreement Term Sheet.

18. Condition Upon Surrender: Under the Existing Lease, the County may require that the Tenant remove all or a portion of the Improvements at the Tenant's sole cost and expense. The Lease will include language providing that the County may, in addition, require the Lessee to fill all holes, excavations and indentations resulting from such removal and grade the surface of the Premises such that it is generally level and will allow it to sheet drain pursuant to applicable laws, and cover such area with level, one-half inch thick asphalt or similar material as directed by County. The foregoing work, together with the removal of the improvements and other specified work that the County elects to require Lessee to perform, shall be defined in the Lease as the "Demolition Work." If the County elects to have Lessee demolish the improvements at the expiration of the Lease term, the Lease shall require Lessee to provide the County with a report, at least 3 years prior to the expiration of the Lease, prepared by a construction and demolition expert reasonably approved by County, which report will detail and estimate the projected cost of the work ("Demolition Report"). The Demolition Report shall be accompanied by a written plan (the "Lessee Demolition Plan") that sets forth Lessee's proposed method of financially securing the amount needed to discharge Lessee's obligations with respect to the Demolition Work at the expiration of the Lease (the "Demolition Security"). If the County elects to have Lessee demolish the improvements at the expiration of the Lease term, the Lessee Demolition Plan shall detail (a) the form of Demolition Security proposed by Lessee, which security shall be a deposit of funds, a letter of credit, bond or other form of security, in form and amount, and from an issuer, reasonably satisfactory to County, and (b) a schedule reasonably satisfactory to County for the delivery by Lessee of the Demolition Security, which schedule shall in all events provide for providing the Demolition Security not later than two (2) years prior to the expiration of the term. The amount of the Demolition Security shall be no less than the estimated cost of the Demolition Work as set forth in the Demolition Report, adjusted annually to reflect the rate of increase, if any, in the RS Means cost of construction from the date of the Demolition Report.
19. Holdover: The Lease shall provide that Lessee must pay monthly amount equal to 150% of the then-current Fair Market Rental Value of the Premises in the event of a holding over.
20. Estoppel Certificates: The Lease shall obligate each party to execute estoppel certificates, in forms to be attached to the Lease as exhibits, within 30 days of request.
21. Non-Discrimination: The Lease shall include standard County language prohibiting Lessee from discrimination in certain specified situations.
22. Arbitration: The arbitration provision in the Existing Lease will be modified to limit arbitration to any disputes regarding calculation of the amount of ground rent payable by Lessee and any disputes regarding Lessee's compliance with the insurance requirements of the Lease.
23. Memorandum of Lease: The Lease shall include the form of Memorandum of Lease to be executed by the parties as an exhibit.
24. Severance of Lease: Section 10F of the Existing Lease should be deleted from the Lease.
25. Parking: Section 25 of the Existing Lease shall be deleted from the Lease. The County will require that each Phase of the Project provide its own parking on site without the use of any parking on the rest of the Medical Center Campus.