

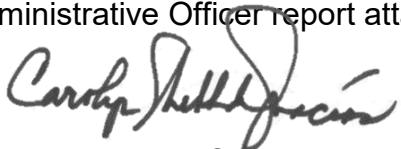
0150-09805-0008

TRANSMITTAL

TO City Council	DATE 03/12/2025	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT All	

Proposed Third Amendment to C-141031 Electronic Output Solutions, Inc. for variable imaging and electronic billing communications services

Transmitted for further processing. See the City Administrative Officer report attached.


MAYOR

MWS:MA:09250112

(Carolyn Webb de Macias for)

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor	Date: 02-19-25	C.D. No. All	CAO File No.: 0150-09805-0008
Contracting Department/Bureau: Office of Finance		Contact: Ricardo Estrada (213) 648-8713	
Reference: Transmittal from the Office of Finance on August 6, 2024			
Purpose of Contract: Third Amendment to C-141031 Electronic Output Solutions, Inc. (EOS) for variable imaging and electronic billing communications services.			
Type of Contract: () New contract (X) Amendment, Contract No. C-141031		Contract Term Dates: June 1, 2022 through May 30, 2027 (includes proposed amendment two-year extension)	
Contract/Amendment Amount: Compensation is based on fees for variable imaging and electronic billing communications services and are estimated to be approximately \$312,000 annually.			
Source of funds: No appropriation identified – see below			
Name of Contractor: Electronic Output Solutions, Inc.			
Address: 2510 Commerce Way, Vista, CA 92081			
	Yes	No	N/A
1. Council has approved the purpose		X	
2. Appropriated funds are available		X	
3. Charter Section 1022 findings completed	X		
4. Proposals have been requested	X		
5. Risk Management review completed	X		
6. Standard Provisions for City Contracts included	X		
7. Workforce that resides in the City: 0%			
Contractor has complied with:		Yes	No
8. Business Inclusion Program			X
9. Equal Benefits & First Source Hiring Ordinances		X	
10. Contractor Responsibility Ordinance			
11. Disclosure Ordinances		X	
12. Bidder Certification CEC Form 50		X	
13. Prohibited Contributors (Bidders) CEC Form 55		X	
14. California Iran Contracting Act of 2010		X	

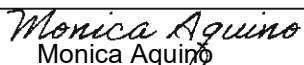
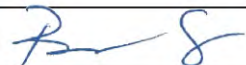
RECOMMENDATIONS

That the Council:

- 1) Approve, and authorize the Director of the Office of Finance (Finance), or designee, to execute, the proposed Third Amendment with Electronic Output Solutions, Inc. (EOS) for variable imaging, and electronic billing communications services to extend the contract term by two years for a cumulative five-year term from June 1, 2022 through May 30, 2027, subject to City Attorney review as to form; and,
- 2) Instruct the Office of Finance to ensure that EOS has the appropriate compliance documentation related to the Contractor Responsibility Ordinance prior to executing the proposed Amendment.

SUMMARY

In accordance with Executive Directive No. 3 (Villaraigosa series), Finance requests authority to execute the proposed Third Amendment with EOS for variable imaging, and electronic billing communications services for a cumulative term of June 1, 2022 through May 30, 2027, with no contract ceiling.

 Monica Aquino		 Assistant City Administrative Officer
MA	Analyst	0150-09805-0008

On November 3, 2021, Finance issued a Request for Quotation (RFQ) to solicit bids for creating, imaging, post-processing and mailing forms used by City Departments using variable laser imaging and electronic billing communications. These services were intended to supplement city services provided by the Department of General Services' Publishing Services Division (GSD). EOS was the sole respondent and was selected to deliver the outlined services.

EOS entered into an initial agreement with the City for a three-year term from June 1, 2022 through May 30, 2025. Two amendments were subsequently executed to reflect cost increases. The proposed Third Amendment increases the term of the Agreement by an additional two years for a cumulative five-year term effective June 1, 2022 through May 30, 2027.

The Agreement does not have a contract ceiling. Compensation is based on usage. Estimated annual costs for this contract are approximately \$312,000 with expenditures at approximately \$234,000 in FY2023-24. The Department does not have sufficient funds in its current year operating budget to fund these services and an additional appropriation has been requested in the Mid-Year Financial Status Report (FSR) to fund these services. In prior years, Finance was able to absorb the cost for this contract with salary savings but is unable to do so in the current fiscal year.

At the time of writing this report, Finance had not yet obtained the Contractor Responsibility Ordinance (CRO) Pledge of Compliance from the Contractor and the Bureau of Contract Administration's confirmation of receipt for the Contractor's CRO completed questionnaire. Finance will ensure all compliance documents are completed prior to execution of the proposed Amendment.

In accordance with the provisions of the Los Angeles Administrative Code Section 10.5(b)(2), Council approval of the proposed Amendment is required, as it extends the contract term beyond three years and the anticipated annual payments will exceed \$193,901.

FISCAL IMPACT STATEMENT

Approval of the proposed Amendment may result in a General Fund impact to the extent that the Department's request for additional funds in the FSR is not funded through an existing General Fund current year appropriation.

FINANCIAL POLICIES STATEMENT

The recommendation in this report complies with the City's Financial Policies to the extent that current expenditures will be funded by current revenues.

MWS:MA:09250112

Attachment



KAREN BASS
MAYOR

August 6, 2024

The Honorable Karen Bass, Mayor
City of Los Angeles
200 North Spring Street
City Hall, Room 303

Attention: Heleen Ramirez, Legislative Coordinator

**RE: EXECUTIVE DIRECTIVE NO. 3 TRANSMITTAL: REQUEST TO EXECUTE A
THIRD AMENDMENT TO C-141031 WITH ELECTRONIC OUTPUT
SOLUTIONS, INC.**

Dear Heleen Ramirez:

In accordance with Mayor's Executive Direction No. 3, the Office of Finance (Finance) requests approval to execute a Third Amendment to C-141031 Electronic Output Solutions, Inc. (EOS) for variable imaging, and electronic billing communications services. In this Third Amendment Finance desires to extend the term of the EOS Agreement from three to five years.

BACKGROUND

The Office of Finance, pursuant to the City Charter, is the tax collector for the City and is responsible for collecting and enforcing the various tax ordinances of the City. Finance is also responsible for the collection and enforcement of various permit fees that are under the jurisdiction of the Police, Fire, and other Departments. There are approximately 475,000 active Business Tax accounts in the City's database. The City uses data mailer forms to collect money, provide various certificates, and provide information to the public. Each of these forms has a specific purpose with a specific remittance address, and is processed and mailed at different intervals during the year. The City is also utilizing an Internet-based portal for the electronic distribution of billing notices for businesses that register to receive them.

Finance issued a Request for Quotation (RFQ) on November 3, 2021 to solicit bids from prospective service providers for variable imaging, and electronic billing



communications services to supplement the services provided by the City's Department of General Service's Publishing Services Division (GSD).

EOS was the sole respondent to the City's RFQ, nonetheless, the bid provided by EOS demonstrated qualifications to satisfactorily meet the needs of the City at a desirable cost.

While the RFQ indicated to prospective firms that the initial term of the awarded contract would be for five years, Finance and EOS agreed to an initial three-year term due to a matter of urgency for the City to maintain continuity of services and ensure large mailings of approximately 30,000 notifications to be sent in June - July 2022, which GSD was unable to perform. Finance and EOS mutually agreed to execute a future contract amendment to extend the term of the agreement to five years, as reflected in this transmittal.

CURRENT REQUEST

The services provided by EOS are critical and are an essential tool for the City's ability to collect tax and permit revenue and provide various certificates, and information to the public. As such, Finance requests the authority to execute this Third Amendment to City Contract No. C-141031 with EOS to extend the initial term to a total of five years. The Office of the City Attorney has reviewed the attached draft amendment.

FISCAL IMPACT

Annual costs for this contract are approximately \$312,000. In prior years, Finance was able to absorb the costs for this contract with salary savings. In the current fiscal year, Finance will absorb what costs it can with budgetary savings. However, if there is insufficient savings available, Finance will request an appropriation for this contract through a future Financial Status Report. Finance will also request funding for this contract in future year budget cycles for future year appropriations.

RECOMMENDATION

Finance respectfully requests that the City Council, subject to the approval of the Mayor:

1. AUTHORIZE the Director of Finance to execute the Third Amendment to C-14031 with EOS, to extend the term for an additional two years, for a total term of five years.

If you have any questions, please contact Ricardo Estrada at (213) 648-8713 or by e-mail, at ricardo.estrada@lacity.org

Sincerely,



Diana Mangioglou
City Treasurer / Director of Finance

Attachments: Draft Third Amendment to C-141031

cc: Lidia Manzanares, Office of the Mayor
Thomas Arechiga, Office of the Mayor
Ha To, Office of the City Administrative Officer
Megan Cottier, Office of the City Administrative Officer
Monica Aquino, Office of the City Administrative Officer
Angela Berumen, Office of Finance
Matthew Crawford, Office of Finance
Mario Interiano, Office of Finance

**THIRD AMENDMENT TO
AGREEMENT C-141031
BETWEEN
THE CITY OF LOS ANGELES
OFFICE OF FINANCE
AND
ELECTRONIC OUTPUT SOLUTIONS, INC
FOR
VARIABLE IMAGING, MAILING, AND
ELECTRONIC BILLING COMMUNICATIONS SERVICES**

**THIRD AMENDMENT TO AGREEMENT C-141031
BETWEEN
THE CITY OF LOS ANGELES
OFFICE OF FINANCE
AND
ELECTRONIC OUTPUT SOLUTIONS, INC.
FOR
VARIABLE IMAGING, MAILING, AND
ELECTRONIC BILLING COMMUNICATIONS SERVICES**

THIS THIRD AMENDMENT is made and entered into by and between the City of Los Angeles, a municipal corporation (hereinafter referred to as the “City”), acting by and through its Office of Finance, and Electronic Output Solutions, Inc., a California Corporation (hereinafter referred to as “Contractor” or “EOS”), collectively referred to hereinafter as “Parties” or individually as “Party”, with reference to the following:

WHEREAS, the Parties entered into Agreement C-141031 (the “Original Agreement”), wherein the Contractor, EOS, agreed to provide variable imaging, mailing, and electronic billing communications services for a term from June 1, 2022 through May 30, 2025; and

WHEREAS, on March 15, 2023, the Parties entered into that certain First Amendment to C-141031 (“First Amendment”) to update Attachment B - Cost Sheet of Contractual Line Items (Rev 9-12-2022) to memorialize certain cost increases; and

WHEREAS, on April 27, 2023, the Parties entered into that certain Second Amendment to C-141031 (“Second Amendment”) to update Attachment B - Cost Sheet of Contractual Line Items (Rev 4-14-2023) to memorialize certain cost increases; and

WHEREAS, the City is in continuing need for variable imaging, mailing, and electronic billing communications services provided by the Contractor; and

WHEREAS, the Parties desire in this Third Amendment to extend the term of the Original Agreement, as amended, for an additional two (2) years from June 1, 2025 through May 30, 2027; and

NOW, THEREFORE, in consideration of the above premises and of the representations and mutual covenants hereinafter set forth, the Parties agree as follows:

1. The terms and conditions of the Original Agreement, together with the First Amendment and the Second Amendment, and this Third Amendment, shall be read and construed as one document and references to “this Agreement” shall from the effective date hereof (but not for any purpose prior to the effective date hereof) incorporate references to this Third Amendment.

- 2. Section 2. TERM OF THE AGREEMENT**, Subsection 2.1. Term, is hereby amended to read as follows:

“The term of this Agreement shall be for five (5) years commencing on June 1, 2022, and ending on May 30, 2027.”

- 3. Section 13. ENTIRE AGREEMENT AND ORDER OF PRECEDENCE**, is hereby amended to read as follows:

This City Contract, and any exhibits, attachments or documents incorporated herein by inclusion or by reference, constitutes the final, complete, and entire Agreement between the City and the Contractor, and supersedes all prior discussions between the Parties. No modification of or amendment to this Agreement, or any waiver of any rights under this Agreement, will be effective unless in writing and signed by an authorized signatory of each Party. Unless otherwise provided for in this Agreement, in the event of any inconsistencies between the bodies of this Agreement, exhibits, attachments, and Schedule, the order of precedence will be as follows:

1. The body of this Third Amendment;
 2. The body of the Second Amendment and its attachments/exhibits;
 3. The body of the First Amendment and its attachments/exhibits;
 4. The body of the Original Agreement
 5. The other attachments/exhibits to the Original Agreement
- 4.** All Capital terms shall have the meaning ascribed to them under the Original Agreement, except as otherwise provided herein.
- 5.** This Third Amendment may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The Parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by City) and sent by e-mail shall be deemed original signatures.
- 6.** This Third Amendment shall be deemed executed upon the occurrence of all of the following events:
1. This Third Amendment has been signed on behalf of Contractor by the person or persons authorized to bind Contractor hereto;
 2. This Third Amendment has been approved by the Director of Finance;
 3. The Office of the City Attorney has indicated the approval as to form of this Third Amendment; and

4. This Third Amendment has been signed on behalf of the City by the person designated to so sign by the City Council or by the board, officer, or employee authorized to enter into this Third Amendment.
7. Except as herein amended, all other terms and conditions of this Agreement shall remain unchanged and in full effect.

[Signature page follows]

IN WITNESS WHEREOF, the Parties hereto have caused this Third Amendment to be executed by their duly authorized representatives.

The City of Los Angeles, a Municipal Corporation

By signing below, the signatory attests that they have no personal, financial, beneficial, or familial interest in this contract.

By: 
Diana Mangioglu
City Treasurer/Director of Finance
Office of Finance

Date: 8/6/2024

Electronic Output Solutions Inc.

By: _____
Terry Fyffe
President and CEO

Date: _____

By**: _____
Karen Fyffe
CFO

Date: _____

APPROVED AS TO FORM:

HYDEE FELDSTEIN SOTO, City Attorney

By: _____
Charles Hong
Assistant City Attorney

Date: _____

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By: _____

Date: _____

City Agreement Number: C-141031

Council File Number: _____

NOTE: IF Contractor is a corporation, two signatures are required.

*The signature of President, Chairman of the Board, Or Vice President is required here; and

**an additional signature of Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer is also required for the Corporation.

Required Insurance and Minimum Limits

Name: Electronic Output Solutions, Inc.Date: 10/21/2021Agreement/Reference: RFQ for Variable Imaging, Mailing Services & Electronic Billing Communications

Evidence of coverages checked below, with the specified minimum limits, must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSLs"). For Automobile Liability, split limits may be substituted for a CSL if the total per occurrence equals or exceeds the CSL amount.

Limits

<input checked="" type="checkbox"/>	Workers' Compensation - Workers' Compensation (WC) and Employer's Liability (EL)	WC	<u>Statutory</u>
		EL	<u>\$1,000,000</u>
<input type="checkbox"/>	Waiver of Subrogation in favor of City	<input type="checkbox"/>	Longshore & Harbor Workers
		<input type="checkbox"/>	Jones Act

<input checked="" type="checkbox"/>	General Liability		<u>\$1,000,000</u>
<input checked="" type="checkbox"/>	Products/Completed Operations	<input type="checkbox"/>	Sexual Misconduct
<input type="checkbox"/>	Fire Legal Liability		
<input type="checkbox"/>			

☐ **Automobile Liability** (for any and all vehicles used for this contract, other than commuting to/from work) _____

☐ **Professional Liability** (Errors and Omissions) _____

Discovery Period _____

☐ **Property Insurance** (to cover replacement cost of building - as determined by insurance company) _____

<input type="checkbox"/> All Risk Coverage	<input type="checkbox"/> Boiler and Machinery
<input type="checkbox"/> Flood	<input type="checkbox"/> Builder's Risk
<input type="checkbox"/> Earthquake	<input type="checkbox"/>

☐ **Pollution Liability** _____

☐

☐ **Surety Bonds** - Performance and Payment (Labor and Materials) Bonds 100% of the contract price

☐ **Crime Insurance** _____

Other: 1) In the absence of imposed Auto Liability requirements, all contractors using vehicles during the course of their contract must adhere to the financial responsibility laws of the State of California.