


REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 2, 2022

CAO File No. 0111-31404-0003
Council File No. 22-0795
Council District: 14

To: The City Council

From: *for* Matthew W. Szabo, City Administrative Officer 

Subject: **REQUEST TO AUTHORIZE THE CITY ADMINISTRATIVE OFFICER TO REINSTATE THE EXPIRED CONTRACT C-133365 WITH DOWNTOWN BUSINESS IMPROVEMENT DISTRICT TO PERFORM PROPERTY MAINTENANCE AND SECURITY SERVICES AT THE BUNKER HILL Y-1 PARCEL SITE AT 356 S. OLIVE STREET, LOS ANGELES, CA**

RECOMMENDATIONS

That the City Council, subject to the approval of the Mayor:

1. Authorize the City Administrative Officer, or designee, to reinstate the expired contract C-133365 with Downtown Center Business Improvement District to perform property maintenance and security services at the Bunker Hill Y-1 Parcel site at 356 S. Olive Street, Los Angeles, CA in Council District 14, approve a fourth amendment for a six-month contract term extension from July 1, 2022 through December 31, 2022, and add \$35,000 in contract authority for a new total not to exceed amount of \$266,300, subject to the approval by the City Attorney, as to form;
2. Authorize the CAO to make technical corrections, as necessary, to implement the intent of this action, and authorize the Controller to implement these instructions.

SUMMARY

On January 8, 2015, the City entered into an Option Agreement with CRA/LA, A Designated Local Authority, that provides the City the option to purchase a 2.4 acre site located at 361 S. Hill Street (APN 5149-010-939), commonly referred to as Bunker Hill Parcel Y-1 in Council District 14 ([C.F. 14-0425-S4](#)). The Option Agreement requires the City to properly maintain the Site at its sole cost, and ensure the site remains clear of hazards, debris, graffiti, nuisance, weeds, and litter during the term and effectiveness of the Option Agreement. The City has maintained the site since 2015 through various maintenance providers, and it was anticipated that the Option Agreement with the Developer would be exercised prior to its expiration date of August 1, 2022. However, project negotiations were delayed due to the pandemic and a number of unforeseen impacts, and on July 7, 2022, the CRA/LA granted the City an extension of the option agreement through December 31, 2022. On July 1, 2022, Council

District 14 introduced a Motion instructing CAO, with the assistance of CLA and City Attorney, to extend the maintenance Contract C-133365 term by six months (Attachment) through December 31, 2022, and adding \$35,000 in funding ([C.F. 22-0795](#) De-Leon-Krekorian).

BACKGROUND

On July 1, 2019, the City entered into a contract with the Downtown Center Business Improvement District (C-133365) to provide security and maintenance services and as previously stated, it was not foreseen at the time that the services would be required beyond June 30, 2022. Contract number C-133365 expired on June 30, 2022 and will need to be reinstated and amended to extend the term for six months through December 31, 2022 to avoid disruption in services and allow the City to conclude its negotiations on the site.

The funding of \$35,000 is from the Capital and Technology Improvement Expenditure Program Fund 100, Department 54, Account 00R641, entitled OCB CRA/LA Nuisance Abatement. The approximate cost for maintenance and security services is \$5,000 per month. In addition, there is a \$3,800 cost for landscape maintenance every 6-months. The additional funding is anticipated to cover 6-months of continued services.

It should be noted that there is a parallel effort currently under consideration by the State Legislature that could allow the CRA/LA to add up to two (2) additional years for completion of the negotiations and full wind down of the remaining future development sites under this City's purview. Any subsequent extensions will have a direct impact on the City's need to continue maintenance and security beyond the current expiration date of December 31, 2022. This Office will report back on the impact of these extensions, as necessary.

FISCAL IMPACT STATEMENT

There is no anticipated impact to the General Fund from approval of this contract extension. Funding for this Contract is available in Capital and Technology Improvement Program Fund No. 100, Department 54, Account 00R641 entitled OCB CRA/LA Nuisance Abatement.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the City's Financial Policies.

Attachment : C-133365 Draft 4th Amendment - Security and Maintenance Services at Bunker Hill Y-1

**FOURTH AMENDMENT
TO THE PROFESSIONAL SERVICES AGREEMENT NUMBER C-133365
OF CITY OF LOS ANGELES CONTRACT
BETWEEN
THE CITY OF LOS ANGELES AND DOWNTOWN CENTER BUSINESS IMPROVEMENT
DISTRICT**

This FOURTH AMENDMENT to Agreement Number C-133365 of City of Los Angeles Contract is made and entered into by and between the City of Los Angeles, a municipal corporation, acting by and through the Office of the City Administrative Officer (hereinafter "City") and Downtown Center Business Improvement District Management Corporation, a California corporation (hereinafter "Contractor"), with reference to the following:

RECITALS

WHEREAS, on July 1, 2019, the City and Contractor entered into Contract No. C-133365 for security and maintenance services at the Bunker Hill Y-1 Parcel located at 356 South Olive Street, Los Angeles, CA 90013; and

WHEREAS, on October 1, 2019, the City and Contractor entered into a First Amendment to the Agreement in order to adjust the compensation for security services; and

WHEREAS, on November 6, 2020, the City and Contractor entered into a Second Amendment to the Agreement for the purposes of (1) decreasing the monthly costs for the maintenance services scope of work from \$3,000 per month, to \$2,000 per month; (2) decreasing the level of maintenance services from six days per week, four hours per day to four days per week, four hours per day; and (3) decreasing the landscape maintenance services from once per quarter to once every six months; and

WHEREAS, on July 1, 2021, the City and Contractor entered into a Third Amendment to the Agreement for the purposes of (1) extending the term of the contract by one year to June 30, 2022; and (2) adjusting the annual amount of compensation to \$61,300 for a total amount not to exceed \$231,300 over the term of the contract.

WHEREAS, the City and Contractor desire to enter into this Fourth Amendment to the Agreement for the purposes of (1) extending the term of the contract by six months to December 31, 2022; (2) adding \$35,000 for a total amount not to exceed \$266,300 over the term of the contract; (3) increasing the monthly costs for the maintenance services scope of work from \$2,000 to \$2,400 per month; (4) increasing the landscape maintenance services cost per occurrence from \$3,500 to \$3,800; and (5) increasing the monthly costs for security services scope of work from \$2,400 to \$2,600 per month.

NOW, THEREFORE, the City and Contractor agree that the Agreement be amended effective upon execution as follows:

Article 2. COMPENSATION is hereby amended to replace Article 2.A., with the following language as follows:

A. Total fees, inclusive of reimbursable out-of-pocket expenses, are not to exceed \$266,300. Fees for services will be billed for a flat monthly rate as follows:

1. Maintenance, as defined in Article 1.B.1. Maintenance, not including semi-annual landscape maintenance: \$2,400 per month.

2. Security: \$2,600 per month
3. Lock replacement: not to exceed \$125 per month.
4. Landscape maintenance, including weed removal and lawn trimming: \$3,800 once every six months or as needed upon prior written approval of the CAO's office to be provided by G & G Landscape. G & G Landscape has guaranteed pricing through December 31, 2022. Should G & G Landscape cease operations during this period, Contractor agrees to secure competitive bids from up to three vendors to perform this or a similar level of landscaping services as agreed upon by the City for the City's approval. The City, in its sole discretion, may elect not to continue to contract for these services through the Contractor.

Article 3. EFFECTIVE DATE AND TERM is hereby amended to replace existing language as follows:

This Agreement shall commence on July 1, 2019 and terminate on December 31, 2022. Services rendered prior to the execution of this Agreement are hereby ratified.

Except as herein amended, all terms and conditions of the Agreement shall remain in full force and effect.

In the event of any conflict or inconsistency between the body of this Fourth Amendment and prior amendments, attachments or exhibits to this Agreement, the order of precedence is as follows:

1. Fourth Amendment to the Agreement
2. Third Amendment to the Agreement
3. Second Amendment to the Agreement
4. First Amendment to the Agreement
5. Agreement
6. Standard Provisions to City Contacts (*Rev. 10/21 [v.4]*)
7. All other Attachments.

(Signature Page to Follow)

IN WITNESS THEREOF, the parties have caused this Agreement to be executed by their respective duly authorized representatives.

CITY OF LOS ANGELES

By: _____
Matthew W. Szabo,
City Administrative Officer

Date: _____

ATTEST: HOLLY L. WOLCOTT, CITY CLERK

By: _____
Deputy City Clerk

Date: _____

APPROVED AS TO FORM:
MICHAEL N. FEUER, CITY ATTORNEY

By: _____
Dan Kreinbring
Deputy City Attorney

Date: _____

Downtown Center Business Improvement District

By: _____
Suzanne Holley
President and Chief Executive Officer

0000009254-0001-7
City Business License Number

Date: _____

95-4653987
FIN

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