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CITY ATTORNEY

REPORT NO. R 22 - 0 3 5 8
OCT 20 2022

REPORT RE:

**INSTALLATION AND MAINTENANCE CONTRACT OF INTERACTIVE KIOSKS IN
THE CITY OF LOS ANGELES**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File No. 22-1154

Honorable Members:

Our Office submits this report in response to the October 2, 2022 motion (CF 22-1154) currently pending in the Trade, Travel & Tourism Committee requesting the City Attorney's Office, "with the assistance of the City Tourism Department, Bureau of Streets Services, and all other relevant departments, to prepare and present an agreement within 30 days with IKE Smart City, LLC, utilizing the competitive RFP process conducted by the City of Houston, Texas for the installation and maintenance of interactive kiosks in the City of Los Angeles."

Background

In an effort to bring wayfinding resources (interactive kiosks) to members of the community, as well as tourists, the City is considering the placement of interactive kiosks in the public right-of-way. IKE Smart City, LLC (IKE), has proposed that the City utilize the process outlined by Los Angeles Administrative Code (LAAC) Section 10.15(a)(8), which allows the City to utilize a contract awarded by another governmental

entity to award a City contract, in lieu of the City conducting a competitive process of its own. (Here, IKE has identified a contract between IKE and the City of Houston as one such possibility.)

Motion Timeline

The October 4, 2022 motion requests that our Office prepare and present a contract with IKE within 30 days for the installation and maintenance of IKE interactive kiosks utilizing the Houston contract as a basis, pursuant to LAAC Section 10.15(a)(8). However, before it can be determined whether such a contract can be entered into, the following substantive and procedural matters must first occur:

1. A California Environmental Quality Act (CEQA) analysis must be conducted by the City. The CEQA analysis could be done by the Bureau of Engineering (BOE). The first step of the CEQA process would be to determine the appropriate level of CEQA review, such as the use of a statutory or categorical exemption, a negative declaration, a mitigated negative declaration, or an environmental impact report. Once a determination is made, the appropriate CEQA document must then be prepared.
2. In addition to the CEQA analysis, a determination must be made regarding whether the existing IKE contract with Houston can be used by the City pursuant to LAAC Section 10.15(a)(8) because substantive changes will be required if the City contracts with IKE using the Houston contract as a template. Other factors to consider would be whether it would be in the City's best interest to utilize a competitive process to award a contract because the City has already been put on notice that other vendors exist to perform this scope of work.
3. The appropriate City department (presumably the City Tourism Department or the Public Works Department) then would need to prepare and present a proposed contract for our Office to approve as to form.
4. The proposed contract and CEQA document would need to be approved by the City department that will award the contracts and manage the interactive kiosk program.
5. In addition to the approval of any contract with IKE (or other service provider), the program also would need to be approved by the Board of Public Works before any outdoor advertising structures can be installed in the public right-of-way, pursuant to Los Angeles Municipal Code Section 67.02.
6. Mayoral approval of the contract also would be required under Executive Directive 3, which requires the CAO to review and issue a report for the Mayor.

7. Lastly the City Council would need to approve the contract and the applicable CEQA document, which would likely involve referrals to one or more Council Committees.

Although BOE has already been asked to begin CEQA review of the proposed project, due to the coordination needed between many City departments, it is unlikely that a contract and CEQA documents can be made available for Council approval within the timeline requested by the motion. If you have any questions regarding this matter, please contact the undersigned (213) 978-8130.

Sincerely,

MICHAEL N. FEUER, City Attorney

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VF:KM:ev
Transmittal