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PUBLIC SAFETY and BUDGET AND FINANCE COMMITTEES' REPORT and COMMUNICATION FROM THE CHAIR, PERSONNEL AND ANIMAL WELFARE COMMITTEE relative to proposed First Amendment to Contract No. C-129255 with the Los Angeles County Metropolitan Transportation Authority (Metro) to provide law enforcement services to support bus and rail operations.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

- 1. AUTHORIZE the Chief of Police, Los Angeles Police Department (LAPD), or designee, to negotiate and execute a First Amendment to Contract No. C-129255 with the Metro, in a substantially similar form to the proposed First Amendment provided on pages 11 through 14 of Attachment 3 - Transit Services Bureau Report to the Chief of Police contained in the June 8, 2018 City Administrative Officer (CAO) report, attached to the Council file, with said First Amendment to modify Sections GC-14 and GC-14-B by extending the minimum time period for contract termination from 6 to 12 months, subject to the review and approval of the City Attorney as to form.
- 2. INSTRUCT the LAPD to:
  - a. Front-fund \$5,174,640 of expenses from its 2018-19 Adopted Budget for additional 2018-19 expenses to enhance services and administrative capacity for the Metro as follows:

<u>Fund/Dept.</u>	<u>Account</u>	<u>Title</u>	<u>Amount</u>
100/70	1010	Salaries General	\$599,664
100/70	1012	Salaries Sworn	1,471,116
100/70	1092	Overtime Sworn	3,058,860
100/70	6010	Office and Administrative	<u>45,000</u>
			Total: \$5,174,640

- b. Recognize increased 2018-19 LAPD General Fund revenue from the Metro, Revenue Source Code 4603 - Services to Metro, of \$6,254,417.
- 3. RESOLVE that the following 23 positions in the LAPD are APPROVED and CONFIRMED from July 1, 2018 through June 30, 2019, as follows:

<u>Position</u>	<u>Class</u>	<u>No.</u>
Police Sergeant I	2227-1	2
Police Officer II	2214-2	13
Management Analyst	9184	2
Crime and Intelligence Analyst I	2236-1	1
Senior Administrative Clerk	1368	3
Administrative Clerk	1358	<u>2</u>
		Total: 23

4. AUTHORIZE the LAPD to prepare Controller instructions for any necessary technical adjustments, subject to the approval of the CAO; and, AUTHORIZE the Controller to implement the instructions.

Fiscal Impact Statement: The CAO reports that approval of the recommendations contained in the June 8, 2018 CAO report, attached to the Council file, will allow for the expenditure of up to \$5,174,640 in direct costs and \$3,164,582 in related costs for a total of \$8,339,222 through June 30, 2019. Reimbursements from the Metro are anticipated to offset \$6,254,417 of this expense in 2018-19, thereby reducing the potential impact to the General Fund to \$2,084,805 in 2018-19. The actual impact to the General Fund in 2018-19 will depend upon the source of funds identified for these expenses in the First Financial Status Report of 2018-19, including the options of a Reserve Fund loan to the Department, appropriation of Metro revenue, utilizing departmental savings, or identifying another source of funds.

With a Reserve Fund loan or appropriation of Metro revenue, the \$2,084,805 of 2018-19 expenses not reimbursed in 2018-19 would impact the General Fund until all reimbursements are received in early 2019-20. If Departmental savings or funding from another source funds these expenses, it would result in a positive impact to the General Fund as revenue from Metro is received. Funding and authorization of position authorities for the remaining out-years of the Agreement will be addressed as part of the annual budget process. These actions are in compliance with the City's Financial Policies in that General Fund receipts are sufficient to support the services provided and are fully offset by reimbursements from the Metro.

Community Impact Statement: None submitted.

## SUMMARY

On June 13, 2018, the Public Safety Committee considered a June 8, 2018 CAO report relative to proposed First Amendment to Contract No. C-129255 with the Metro to provide law enforcement services to support bus and rail operations. According to the CAO, on May 3, 2017, Council authorized the LAPD to execute a five-year contract with the Metro to provide contractual law enforcement services for critical transit infrastructure and bus/rail lines within the City (Council File No. 16-0358). The contract included a total compensation amount of \$369.33 million commencing on July 1, 2017.

Subsequent to release of the Mayor's 2018-19 Proposed Budget, the Board of Police Commissioners approved a contract adjustment authorization issued by the Metro on May 2, 2018 with an effective date of July 1, 2018 relative to Transit Law Enforcement Services Contract No. PS5862100LAPD24750 (City Contract No. C-129255). This document authorizes the City to increase its expenditures by up to \$35.33 million during Years Two through Five of the contract for the purpose of enhancing services and administrative capacity (see page 15 of Attachment 3 - Transit Services Bureau (TSB) Report to the Chief of Police).

This additional spending authority increases the contract's potential compensation from \$369.33 million to \$404.66 million. In addition, LACMTA issued a Limited Notice to Proceed (LNTP) on March 1, 2017 which authorized the LAPD to mobilize forces and equipment necessary to fulfill its contractual requirements starting July 1, 2017. Costs incurred under the LNTP were

approximately \$6.5 million which further increases the contract's potential compensation to \$411.16 million. Other factors that could impact the final five-year compensation amount for the contract include: 1) Costs exceeding contractual levels due to LACMTA requesting increased deployments to address changing threat levels, special events, and/or increased crime suppression being necessary; 2) Cost savings if the City were unable to meet planned deployment levels and/or staffing full-time or overtime shifts with officers of a lower position or paygrade than planned; 3) Unanticipated costs for equipment or other expenses; and/or, 4) Changes to Cost Allocation Plan rates. After consideration and having provided an opportunity for public comment, the Public Safety Committee moved to recommend approval of the recommendations contained in the June 8, 2018 CAO report, as amended.

Subsequently, the Personnel and Animal Welfare (PAW) and Budget and Finance Committees considered this matter at their respective meetings of June 20, 2018 and June 25, 2018, and after consideration and having provided an opportunity for public comment, concurred with the action of Public Safety Committee. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

PERSONNEL AND ANIMAL WELFARE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
KORETZ:	YES
PRICE:	ABSENT
ENGLANDER:	ABSENT

PUBLIC SAFETY COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
ENGLANDER:	ABSENT
O'FARRELL:	YES
BUSCAINO:	YES
RYU:	YES
RODRIGUEZ:	ABSENT

BUDGET AND FINANCE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	YES
KORETZ:	ABSENT
BLUMENFIELD:	YES
BONIN:	YES

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**