



County of Los Angeles  
**CHIEF EXECUTIVE OFFICE  
OPERATIONS CLUSTER**

WILLIAM T FUJIOKA  
Chief Executive Officer

**\*\*CHANGE IN TIME AND CONFERENCE ROOM\*\***

**DATE:** December 15, 2011  
**TIME:** **1:30 p.m.**  
**LOCATION:** Kenneth Hahn Hall of Administration, **Room 743**

**AGENDA**

Members of the Public may address the Operations Cluster on any agenda item by submitting a written request prior to the meeting.  
Three (3) minutes are allowed for each item.

1. Call to order – Ellen Sandt
  - A) **eCAPS/eHR Update**  
Auditor-Controller – Wendy Watanabe or designee
  - B) **Board Letter – AUTHORIZE A FORM AGREEMENT TO PROVIDE SPACE FOR VARIOUS EDUCATIONAL OPPORTUNITIES AT THE DEPARTMENT'S HEADQUARTERS LOCATION**  
RR/CC – Dean Logan or designee
  - C) **Property Assessed Clean Energy (PACE) Program Status Report**  
ISD – Howard Choy and TTC – Mark Saladino or designee
  - D) **Board Letter – APPROVAL TO AMEND THE ENERGY EFFICIENCY PROJECT MASTER AGREEMENT**  
ISD – Howard Choy
  - E) **Board Letter – AWARD OF VEHICLE AND VEHICLE-RELATED EQUIPMENT AUCTION SERVICES CONTRACT**  
ISD – Joe Sandoval
2. Public Comment
3. Adjournment



DEAN C. LOGAN  
Registrar-Recorder/County Clerk

January 10, 2012

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:

**AUTHORIZE A FORM AGREEMENT  
TO PROVIDE SPACE FOR VARIOUS EDUCATIONAL OPPORTUNITIES  
AT THE DEPARTMENT'S HEADQUARTERS LOCATION  
(All Districts - 3 Votes)**

**SUBJECT**

The recommended action will allow the Department of the Registrar-Recorder/County Clerk ("RR/CC") to enter into space use agreements with colleges, universities, and other institutions of higher learning ("Institutions") to provide educational programs at the RR/CC Headquarters facility.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve the attached form agreement (Attachment 1) and delegate authority to the Registrar-Recorder/County Clerk, or designee, to negotiate and execute an agreement substantially similar to Attachment 1 with an Institution to provide space for an educational, certificate, or degree program at RR/CC Headquarters, 12400 Imperial Hwy, Norwalk, CA 90650, following the review and approval of the Chief Executive Officer ("CEO") and County Counsel prior to executing such agreement ("Agreement"). There is no impact to the County general fund.
2. Authorize the Registrar-Recorder/County Clerk, or designee, to prepare and execute amendments to any Agreement, as necessary, provided that County Counsel approval is obtained prior to executing any such amendment.
3. Authorize the Registrar-Recorder/County Clerk, or designee, to terminate the Agreement pursuant to the termination provisions contained in the Agreement, if

needed, provided that County Counsel approval is obtained prior to terminating the Agreement.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The recommended action will allow RR/CC to establish a space use agreement with accredited Institution to provide an educational, certificate, or degree program such as Associate of Arts (“AA”), Bachelor of Arts (“BA”), Master of Public Administration (“MPA”), etc. (collectively “Programs”) to be housed at RR/CC Headquarters, thereby facilitating higher education opportunities to County employees and other eligible students. The Institution will be responsible for qualifying students for admission into the Programs. Class participation will not interfere with County employee work assignments as participating County employees will attend class on their own time after the end of their normal work shift. Participating County employees are also responsible for paying their tuition and any other related expenses directly to the Institution. The time required to complete the program will vary due to the specific Program. There will be no promotional promises or other commitments of any kind to participating County employees based on their enrollment in or completion of any Program. Participating County employees may be eligible for tuition reimbursement based on the normal application process through their respective department and availability of funds.

The Programs will support, develop and assist participating professionals in enhancing skills; improve the ability to perform assignments; and the overall quality of their work. The term of each Agreement will be specific to the Program provided and will expire at the completion of the respective Program. Participants who complete the Program will receive the corresponding certificate/degree, as applicable, from the respective Institution.

**Implementation of Strategic Plan Goals:**

This request supports the County Strategic Plan as follows:

**Goal No. 1: Operational Effectiveness, Strategy 4: Workforce Excellence:** Implement human capital management best practices to enhance the recruitment, development, and retention and well-being of qualified County employees. The Agreement will assist with County workforce development; provide valuable training for County employees who want to improve their skills for advancement; and assist with the succession planning initiatives desired by the County.

**FISCAL IMPACT/FINANCING:**

There is no cost associated with the recommended action. Classes will be held in the evenings and during non-working hours in a space designated at RR/CC Headquarters. The Program activities will not require any additional space, personnel, or materials from RR/CC. There is no impact to Net County Cost.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

Your Board has previously authorized County departments to enter into such agreements with the California State University, Northridge (CSUN) to establish an MPA degree program and house such program in their respective department headquarters. The RR/CC currently has such an agreement with CSUN to provide an MPA program, which was approved by your Board on June 29, 2010. The MPA program curriculum is designed specifically for working adults, focuses on applicability, access and convenience to accommodate the busy working professional. With the success of the MPA program, the Department wishes to expand on this concept. Your Board's approval of the recommended action will allow RR/CC to enter into contract negotiations with Institutions and, following review by CEO, County Counsel, and Risk Management to ensure any legal and/or liability issues are fully addressed, enter into an Agreement with the Institution to provide the desired Program at RR/CC Headquarters. Upon final approval of the Agreement by County Counsel, the Registrar-Recorder/County Clerk, or designee, will execute the Agreement on County's behalf.

Each Institution will be required to indemnify the County with regard to their delivery of the Program. The Institution will be responsible for providing all Workers Compensation, automobile and all required insurance coverage for its instructors.

The Agreement is for use of space only. The classes will be scheduled in the evenings or during non-working hours, as space permits. The Institution instructors and students will park in the public/general parking area in front from RR/CC Headquarters. All office space at RR/CC Headquarters is secure against unauthorized entrance by an electronic keycard system. The Institution instructors and students will be allowed into the facility and designated classroom space by the RR/CC security personnel that are present 24 hours a day, 7 days a week.

The Chief Executive Office and County Counsel have reviewed and approved this Board letter. County Counsel has approved the form agreement as to form.

**CONTRACTING PROCESS:**

There was no contracting process associated with the Agreement.

**IMPACT ON CURRENT SERVICES:**

Approval of the recommended action will allow RR/CC to provide space at RR/CC Headquarters for the purpose of providing County employees and other eligible students with higher education opportunities. The classes will not impact County employee work assignments, customer services, or Net County Cost.

**CONCLUSION**

Upon approval of the recommendation, it is requested that the Executive Officer/Clerk of the Board return one original stamped copy of the adopted Board letter to:

County of Los Angeles Registrar-Recorder/County Clerk  
12400 Imperial Highway, Room 7201  
Norwalk, CA 90650  
Attention: Ngozi Ume, Manager  
Finance and Management Division

Respectfully submitted,

DEAN C. LOGAN  
Registrar-Recorder/County Clerk

DCL:DM:NU:rl

Attachment (1)

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

**AGREEMENT  
BY AND BETWEEN  
THE COUNTY OF LOS ANGELES THROUGH ITS  
DEPARTMENT OF REGISTRAR-RECORDER/COUNTY CLERK  
AND**

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THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2012, is by and between the County of Los Angeles ("County"), a political subdivision of the State of California, through its Department of Registrar-Recorder/County Clerk ("RR/CC"), and \_\_\_\_\_ Institution \_\_\_\_\_ ("\_\_\_\_\_"), an accredited institution of higher learning. RR/CC and \_\_\_\_\_ are sometimes hereinafter referred to collectively as the "Parties" and each individually as a "Party." This space use agreement ("Agreement") contains the entire agreement between the Parties with respect to the subject matter of this contract.

WHEREAS, \_\_\_\_\_ Name \_\_\_\_\_ of \_\_\_\_\_ Institution \_\_\_\_\_, located at \_\_\_\_\_ Address \_\_\_\_\_, is an accredited public university that provides a \_\_\_\_\_ ("AA," "BA," "MPA," etc) degree program ("Program");

WHEREAS, County desires to locate said degree Program at RR/CC Headquarters, 12400 Imperial Hwy, Norwalk, California, 90650;

WHEREAS, in return for providing gratis classroom space, the County will have the opportunity to offer an on-site degree Program to County employees and other eligible students to help meet County workforce development needs and meet the succession planning initiatives desired by the County; and

WHEREAS, RR/CC shall be responsible for the enforcement of this Agreement on behalf of County.

NOW THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein, the Parties hereto and each of them do agree as follows:

**1.0 TERM OF AGREEMENT**

- 1.1 The term of this Agreement will be effective upon the execution of the Parties and run consecutively through \_\_\_\_\_. The term of this Agreement may be adjusted, as necessary, to accommodate any delay in the commencement of the Program, by mutual written agreement of the Parties.
- 1.2 This Agreement may be renewed or extended, upon mutual written consent of the Parties to accommodate the Program.
- 1.3 This Agreement may be terminated by any Party, during the term of this Agreement, upon 90 days advance written notice by either Party, unless all Parties mutually agree to a lesser period in writing. Notwithstanding the

foregoing, RR/CC may terminate the Agreement in the event RR/CC requires the Space (as defined below) as a result of any emergency at the sole determination of RR/CC. In addition, \_\_\_\_\_ shall not admit students into the Program after any Party executes a notification of termination. No written termination notice is required for this Agreement to expire at the end date of the Agreement term as provided in Paragraph 1.1 above.

- 1.4 Upon expiration of the Agreement or the cancellation thereof as herein provided, \_\_\_\_\_ shall immediately vacate the Space and deliver the Space to County in reasonably good condition.

## 2.0 RR/CC RESPONSIBILITIES

- 2.1 For the period set forth in Paragraph 1.1 above and subject to the terms of this Agreement, RR/CC will provide \_\_\_\_\_ with the gratis use of designated classroom space ("Space"), at RR/CC Headquarters, on the days and times set forth in Exhibit A (Program Schedule), for the term of the Agreement, to conduct the Program at RR/CC Headquarters, 12400 Imperial Hwy, Norwalk, California 90650. In the event that the Space is not available on a scheduled class date, RR/CC will provide substitute space.
- 2.2 RR/CC will provide \_\_\_\_\_ faculty with limited access to RR/CC Headquarters, located at 12400 Imperial Hwy, Norwalk, California 90650 and the designated Space provided for the Program.
- 2.3 The adequacy of Space will be determined by RR/CC.
- 2.4 RR/CC will be responsible for normal maintenance, utilities, and custodial services to keep the Space in good condition.
- 2.5 RR/CC will provide standard conference room furnishings and audio-visual equipment from RR/CC's existing, available resources. Should \_\_\_\_\_ provide its own specialized equipment not available through RR/CC for performance under this Agreement, \_\_\_\_\_ shall be solely responsible for the removal of such equipment from the classroom by the end of each session. RR/CC will allow County employees, other eligible students, and faculty, during the period of performance under this Agreement, reasonable access to Space, restrooms, break area, and other services and premises specifically required for the implementation of the Program.
- 2.6 Notwithstanding any other provision of this Agreement, the failure of \_\_\_\_\_ or its officers, agents or employees to comply with the terms of this Agreement or any written directions by or on behalf of RR/CC issued pursuant hereto shall constitute a material breach thereof and this Agreement may be terminated immediately. RR/CC's failure to exercise this right of termination shall not constitute waiver of such right, which may be exercised at any subsequent time.

### 3.0 \_\_\_\_\_ RESPONSIBILITIES

#### 3.1 PURPOSE AND SCOPE OF UTILIZATION

- 3.1.1 \_\_\_\_\_ will locate an accredited (\_\_\_\_\_) degree Program at RR/CC Headquarters, located at 12400 Imperial Hwy, Norwalk, California 90650. Classes will be located in the designated Space or any other adequate Space designated by RR/CC. Classes will be scheduled per Exhibit A (Program Schedule). \_\_\_\_\_ may utilize RR/CC Space as designated in this Agreement only for the sole purpose of conducting (\_\_\_\_\_) degree Program. It is expressly understood that this Agreement does not constitute the conveyance by RR/CC to \_\_\_\_\_ of any estate or interest in real property.
- 3.1.2 \_\_\_\_\_ certifies and agrees that all persons employed by \_\_\_\_\_ and/or by the affiliates, subsidiaries, or holding companies thereof are and shall be treated equally without regard to or because of race, ancestry, national origin, or sex, and in compliance with all Federal and State laws prohibiting discrimination in employment, including, but not limited to, the Federal Civil Rights Act of 1964; the Unruh Civil Rights Act; the Cartwright Act; the State Fair Employment Practices Act; and the Americans with Disabilities Act.

#### 3.2 SPACE USE CONDITIONS

\_\_\_\_\_ shall:

- 3.2.1 Conduct the permitted activities in a professional manner and operate without interfering with RR/CC conducting its business or use of its premises. County has the right to request \_\_\_\_\_ to remove any agent, servant or employee who fails to conduct permitted activities in the manner heretofore described.
- 3.2.2 To the extent possible, keep the Space provided in a clean and orderly manner, and at the conclusion of each class session, return the furniture to its original configuration and lock the door upon exiting to secure the Space.
- 3.2.3 Assume the risk of loss, damage or destruction due to theft, fire, and casualty of any and all personal property belonging to \_\_\_\_\_ that is located within the Space.
- 3.2.4 Notify County contact identified in Paragraph 8 (Notices) of this Agreement of any damage to RR/CC property within 2 business days. Email or telephone message will be deemed sufficient notification.
- 3.2.5 Make no alterations or improvements to the Space provided for the conduct of the (\_\_\_\_\_) degree Program.

- 3.2.6 Permit RR/CC authorized representatives to enter the Space provided at any time for the purpose of determining whether \_\_\_\_\_ activities are being conducted in compliance with the terms of this Agreement.
- 3.2.7 Prohibit all advertising signs or matter from display, other than signs displaying the name of \_\_\_\_\_.
- 3.2.8 Notify County contact identified in Paragraph 8 (Notices) of this Agreement via telephone or email when \_\_\_\_\_ faculty member will not be present. Whenever possible notification should be made by 6:00 p.m.

#### **4.0 INDEPENDENT CONTRACTORS**

This Agreement for Space use only, is by and between the County (through RR/CC) and \_\_\_\_\_ and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture or association as between RR/CC and \_\_\_\_\_. \_\_\_\_\_ understands and agrees that all \_\_\_\_\_ employees arranged by \_\_\_\_\_ to furnish services pursuant to this Agreement are, for purposes of Workers' Compensation liability, employees solely of \_\_\_\_\_ and not of RR/CC. \_\_\_\_\_ shall bear the sole responsibility and liability for furnishing Workers' Compensation benefits to any \_\_\_\_\_ employee for injuries arising from or connected with services performed on behalf of \_\_\_\_\_ pursuant to the Agreement. Any injury to \_\_\_\_\_ employees while at RR/CC Headquarters shall be reported on a County Non-Employee Injury Report form, Exhibit B of this Agreement.

#### **5.0 INDEMNIFICATION AND INSURANCE**

##### **5.1 INDEMNIFICATION**

\_\_\_\_\_ agrees to indemnify, defend and hold harmless County and its Special Districts, elected and appointed officers, employees and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the College's acts and/or omissions arising from and/or relating to this Agreement.

County agrees to indemnify, defend and hold harmless \_\_\_\_\_ and its officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the County's acts and/or omissions arising from and/or relating to this Agreement.

5.2 INSURANCE REQUIREMENTS (\_\_\_\_\_):

Without limiting \_\_\_\_\_'s indemnification of County and during the term of this Agreement, it is understood and agreed the \_\_\_\_\_ maintains self insurance programs to fund its respective liabilities. \_\_\_\_\_ shall ensure the following specific insurance coverage is included.

5.2.1 General liability insurance (written on ISO policy form CG 0001 or its equivalent), and endorsed to name County as an additional insured, with limits of not less than the following:

General Aggregate:	\$2,000,000
Products/Completed Operations Aggregate:	\$1,000,000
Personal and Advertising Injury:	\$1,000,000
Each occurrence:	\$1,000,000

5.2.2 **Workers Compensation and Employers' Liability** insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident.

5.2.3 **Automobile Liability** insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

5.2.4 \_\_\_\_\_ shall provide evidence of its insurance programs to RR/CC Contracts Section upon execution of this Agreement and at RR/CC's request. Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles  
Registrar-Recorder/County Clerk  
12400 Imperial Hwy.  
Norwalk, CA 90650  
Attention: Contracts Section, Room 5203

5.2.5 \_\_\_\_\_ shall report to County any accident or incident relating to activities performed under this Agreement, which involves injury or property damage which might reasonably be thought to result in the filing of a claim or lawsuit against \_\_\_\_\_ and/or County. Such report shall be made in writing within 72 hours of \_\_\_\_\_'s knowledge of such occurrence on the County's Non-Employee Injury Report form, Exhibit B to this Agreement.

5.2.6 In the event the \_\_\_\_\_ fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any cost to County, \_\_\_\_\_ shall pay full compensation for all reasonable cost incurred by County.

5.3 INSURANCE REQUIREMENTS (COUNTY):

It is understood and agreed the County maintains self insurance programs to fund its respective liabilities. County shall provide evidence of its insurance programs at \_\_\_\_\_'s request.

**6.0 AGREEMENT TERMS**

6.1 This Agreement contains all the terms and conditions agreed upon by the Parties thereto. No addition to or alteration of the terms of this Agreement, whether by written or verbal understanding of the Parties, their officers, agents, or employees, shall be valid unless made in the form of a written amendment to this Agreement and formally approved and executed by the Parties.

6.2 \_\_\_\_\_ shall comply with any and all of RR/CC's rules and regulations, applicable Federal, State and local laws, rules, regulations, ordinances, and directives, and all provisions required thereby to be included in this Agreement are incorporated herein by reference.

6.3 \_\_\_\_\_ acknowledges that the rights conferred herein are personal to \_\_\_\_\_ and do not operate to confer on or vest in \_\_\_\_\_ title, interest, or estate in the Space or any part thereof, and therefore \_\_\_\_\_ shall not assign, hypothecate or mortgage the Space or any portion thereof, by, through, or pursuant to this Agreement.

6.4 \_\_\_\_\_ agrees to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees that venue, if any action is brought hereunder, shall be exclusively in the County of Los Angeles.

**7.0 DEFAULT**

\_\_\_\_\_ agrees that if default shall be made in any of the covenants and agreements herein contained to be kept by \_\_\_\_\_, County may forthwith revoke and terminate this Agreement, in addition to any of County's other rights and remedies provided at law and in equity.

**8.0 NOTICES**

Any notices required to be given to either Party under the terms of this Agreement shall be addressed to:

COUNTY:    Name:        Edward Sumcad  
              Address:     12400 Imperial Hwy, Room 7211  
                              Norwalk, CA 90650  
              Phone:        (562) 462-2948  
              Email:        esumcad@rrcc.lacounty.gov

\_\_\_\_\_ :    Name:        \_\_\_\_\_  
                              Address:     \_\_\_\_\_  
    \_\_\_\_\_  
                              Phone:        \_\_\_\_\_  
                              Email:        \_\_\_\_\_

**9.0 WAIVER**

No waiver of a breach of any provision of the Agreement by RR/CC will constitute a waiver of any other breach of said provision or of any other provision of the Agreement. Failure of either Party to enforce at any time, or from time to time, any provision of the Agreement shall not be construed as a waiver thereof. No waiver shall be enforced unless said waiver is set forth in writing.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed on its behalf by the Registrar-Recorder/County Clerk, or his duly authorized designee, and \_\_\_\_\_ has caused this Agreement to be subscribed on its behalf by its duly authorized officer the day, month, and year first above written.

**ATTESTED:**

**INSTITUTION**

**COUNTY OF LOS ANGELES**

By: \_\_\_\_\_

Dean C. Logan

Title: \_\_\_\_\_

Registrar-Recorder/County Clerk

**APPROVED AS TO FORM:**

ANDREA S. ORDIN  
County Counsel

By \_\_\_\_\_

Patrice Salseda  
Senior Deputy County Counsel

# Program Schedule

**Property Assessed Clean Energy (PACE) Update Meeting  
December 15, 2011 - Operations Cluster Meeting**

1. Current Status of LACEP (PACE Program)
  - a. Residential
    - i. On hold – due to FHFA guidance
    - ii. Pending legislative, legal, executive or other solution
  - b. Non-residential
    - i. Commercial program available to participating cities
    - ii. “Owner-arranged” financing model
    - iii. Targeted towards larger commercial projects
  - c. PACE Federal Bill (HR2599 – PACE Protection Act)
  
2. Current PACE Models in Operation
  - a. Treasury Pool, General Fund financing (Sonoma, Palm Desert)
    - i. “Buyer beware” on residential liens (re FHFA guidance)
    - ii. Residential liens paid off on refinance or sale of property
    - iii. Owner-arranged financing for commercial projects, lender authorization req’d
  
  - b. Private Financing – “Owner Preferred”
    - i. New PACE administrators, financiers provide “turnkey” solution at no cost to local jurisdiction
      1. Residential – strong underwriting criteria, lender notification, lien paid off on refinance or sale
      2. Commercial – lender notification, judicial validation required
    - ii. Owner Preferred programs announced in parts of the state/country
  
3. Considerations for County PACE Team
  - a. Benefits of “Owner Preferred” model
    - i. Opens up residential market with limitations
    - ii. Additional options for non-residential market
    - iii. Provides initial funding for PACE loans
    - iv. Provides turnkey services
  
  - b. Items of concern - Risks
    - i. Risks for residential property owners given FHFA guidance
    - ii. Litigation risk if mortgage holder approval not required
    - iii. “Owner Preferred” models are being offered to our cities right now
    - iv. Don’t know FHFA, OCC response to new model
    - v. Don’t know commitment level of prospective investors
  
  - c. Proposed Next Steps
    - i. Issue solicitation seeking input from new PACE participants in January 2012
    - ii. Evaluate turnkey solution integrated with existing County PACE program elements
    - iii. Continue federal legislative efforts on HR 2599

Approval to Amend the Energy Efficiency Project Master Agreement  
Agenda: Dec. 20, 2011

This is an amendment to ISD's existing Energy Efficiency Project Master Agreement (EEPMA) to allow for "Power Purchase Agreements" (PPAs). Briefly, PPAs are financial agreements that:

- Enable the County to purchase lower cost electricity than the County would otherwise receive from a utility provider
- Require a third-party provider to install, own, operate, and maintain photovoltaic (PV) solar power generation systems.
- Allow the County to have a third-party provider place solar power systems on its rooftops, and purchase the system's generated electricity from the provider for a set period, usually 15-20 years.
- Allow the PPA provider to acquire financial benefits such as investment tax credits, accelerated depreciation, utility incentives, and income generated from the sale of electricity to the County. Tax benefits may be passed through to the County.

The County's benefits include:

- No upfront capital cost for solar installations
- Predictable energy pricing that is always lower than the actual utility rate
- Third party assumes risk for guaranteed electric supply and future rate levels
- Expected savings in the range of 5-10% compared to actual utility rates
- Demonstrates environmental commitment and reduces carbon footprint
- Provides support for local economy and job creation

Attachment 2 describes Power Purchase Agreements in more detail.

This master agreement is an open solicitation, so new vendors can be qualified and added to the list during the term of the master agreement. The EEPMA Renewable Resources and Distributed Generation Power category now has 10 qualified vendors with another 2 pending qualification review. The EEPMA expires on October 31, 2015 and has two one-year renewal options with six month-to-month additional extension options.

The Board letter describes details of the master agreement, other County solar initiatives, the contracting process, etc.



TOM TINDALL  
Director

County of Los Angeles  
**INTERNAL SERVICES DEPARTMENT**

1100 North Eastern Avenue  
Los Angeles, California 90063

*"To enrich lives through effective and caring service"*

Telephone: (323) 267-2101  
FAX: (323) 264-7135

December 20, 2011

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:

**APPROVAL TO AMEND THE ENERGY EFFICIENCY  
PROJECT MASTER AGREEMENT  
(ALL DISTRICTS - 3 VOTES)**

**SUBJECT**

Approval to amend current Energy Efficiency Project Master Agreement and to execute Power Purchase Agreements with qualified vendors.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and authorize the Director, Internal Services Department (ISD), or his designee, to execute the attached Amendment Number One (Attachment 1) to the Energy Efficiency Project Master Agreement (EEPMA), which will amend the Renewable Resources and Distributed Generation Power category of the EEPMA to include Power Purchase Agreements (PPAs).
2. Authorize the Director, ISD, or his designee to negotiate and finalize PPAs, and all related documents, with qualified EEPMA vendors for various County projects, and to execute the PPAs issued under the EEPMA after Board notification.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On November 6, 2007, your Board approved Energy Efficiency Project Master Agreements (EEPMA) with 24 companies and authorized the Director, ISD, to execute additional EEPMA with vendors that became qualified thereunder throughout its term. The EEPMA provide the County with a pool of readily available pre-qualified, energy efficiency project contractors that, under ISD's management, perform a variety of energy efficiency projects in support of County facilities and energy programs.

The recommended actions will allow ISD to use the existing EEPMA, as amended, to award and enter into PPAs with qualified vendors under the Renewable Resources and Distributed Generation Power category of EEPMA. The terms and conditions of the PPAs will be negotiated in accordance with industry standards and will include all required protections consistent with similar County operations. Your Board will be notified 10 working days prior to the execution of any PPAs and all related documents. Since the current EEPMA expires in 2017, and the PPAs are projected to have up to a 20 year term, any executed PPAs will be extended along with the standard terms and conditions set forth in any successor EEPMA, or will stand alone and incorporate the terms and conditions of the current EEPMA if no successor EEPMA is established.

### Background

On January 13, 2009, your Board directed ISD to support the Chief Executive Office (CEO) in developing renewable energy projects, including solar projects, to provide energy savings and reduce greenhouse gas production within the County. In response to that order, the CEO and ISD have collaborated on the development of solar projects that can be financed through the issuance of Qualified Energy Conservation Bonds (QECBs) that were authorized under the American Recovery and Reinvestment Act of 2009, as well as projects that are more appropriately completed under PPAs. On May 6, 2009, the CEO provided your Board with an update and recommendation to complete solar projects through the use of PPAs. The CEO and ISD worked with County Counsel to develop the approach identified in this Board letter. The PPA structure is described in Attachment 2.

The projects that would be implemented as part of an EEPMA PPA are distinct from the projects that are part of the solar rooftop program, for which on August 10, 2010, your Board approved allocations of the County's QECB authorization to construct. The CEO updated your Board on the QECB solar rooftop program status via separate memorandum.

For the projects under the QECB-financing program, the upfront project costs will be financed by the low-interest QECBs, allowing the County to purchase the systems without a significant cash outlay. For the PPA structure that will be used under the EEPMA, the County will only be buying the electricity generated by the solar panel system, not the system itself.

### **Implementation of Strategic Plan Goals**

The recommended actions support the Countywide Strategic Plan Goal Number 1, Service Excellence; Goal Number 3, Organizational Effectiveness; and Goal Number 4, Fiscal Responsibility by effectively managing County resources.

### **FISCAL IMPACT/FINANCING**

The PPA projects are designed to reduce County utility costs. The photovoltaic (PV) equipment and installation will be completed at no cost to the County and will be owned by the third party. Based on other entities' experience, the purchase price of the generated electricity under the PPAs is expected to be in the range of 5 to 10 percent lower than the utility electrical rates currently paid by the County at the affected facilities. The PPA rates will be fixed, with an annual price escalator in the range of zero to three percent. The price escalator will account for system efficiency decreases as the system ages, and for cost increases for system maintenance and anticipated increases in the price of grid-delivered electricity. The PPA rates will be required to be lower than the actual utility rates for each year. This action will not increase net County costs (NCC).

The County will have the option to purchase the PV systems during the term of the PPA. The purchase price will be predetermined and prorated depending on the length of time that the PPA is in force. At the end of the PPA's term, the County can either purchase the PV system or have the system removed and the facility restored to its original condition.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed amendment will allow the County to issue PPAs for services consistent with the existing EEPMA. The additional terms and conditions of the PPAs will be negotiated by ISD and County Counsel to ensure the necessary protections for and best value to the County while holding qualified vendors to the EEPMA standard terms and conditions. In instances where a negotiation results in a deviation from the standard terms and conditions of the EEPMA, the modified terms and conditions will be reviewed and approved as to form by County Counsel, and your Board will be notified of the modified terms prior to execution of the PPA.

### **ENVIRONMENTAL DOCUMENTATION**

The California Environmental Quality Act (CEQA) is not applicable to these projects due to recent legislation that will become effective January 1, 2012.

### **CONTRACTING PROCESS**

The current Request for Statement of Qualifications (RFSQ) for EEPMAs is an open solicitation. As such, new vendors can be qualified and awarded EEPMAs through the term of the master agreement. This allows new companies to be added to the list of qualified vendors that can bid on future projects. PPA solicitations will be issued to vendors that have master agreements under the Renewable Resources and Distributed Generation Power category of the current EEPMA. Consistent with the established EEPMA solicitation process, PPAs will be awarded based on evaluation factors applicable to the project, including cost.

PPAs and all related documents will only be executed after it has been negotiated and your Board notified of the final terms.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Use of an existing master agreement such as EEPMA will result in an efficient and effective means of obtaining the required services. The use of PPAs will result in no upfront capital costs for the County, predictable and reduced energy pricing, guaranteed system performance, and environmental commitment.

Respectfully submitted,

A handwritten signature in cursive script that reads "Tom Tindall".

TOM TINDALL  
Director

TT:YY

Enclosures

c: Chief Executive Office  
Auditor-Controller  
County Counsel

AMENDMENT NUMBER «AMEND» TO  
ENERGY EFFICIENCY PROJECT SERVICES MASTER AGREEMENT (EEPMA)  
NO. «MA\_NUMBER»

This Amendment Number One (the "Amendment") to the Energy Efficiency Project Services Master Agreement «MA\_Number» is entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2011 by and between the County of Los Angeles, a political subdivision of the State of California ("County") and «Company\_Name»«dba», a \_\_\_\_\_ corporation ("Contractor"), with reference to the following facts:

Recitals

WHEREAS, on November 6, 2007, the County's Board of Supervisors (the "Board") authorized the Director, Internal Services Department ("ISD") or his designee, to execute Energy Efficiency Project Services Master Agreements:

WHEREAS, on «MA\_Date», County and Contractor entered into that certain Energy Efficient Project Services Master Agreement No. «MA\_Number» (the "Master Agreement"); and

WHEREAS, on December 20, 2011 the Board of Supervisors authorized the Director, ISD, or his designee, to negotiate and execute an amendment to the Master Agreement revise the existing category of services thereto entitled "Renewable Resources and Distributed Generation Power" to include thereunder Power Purchase Agreements ("PPAs").

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, County and Contractor hereby agree to amend the Master Agreement as follows:

1. This Amendment shall be effective \_\_\_\_\_.
2. New Paragraphs 2.19 (Power Purchase Agreements) and 2.20 (Power Purchase Agreement Solicitation) shall be inserted at the end of Paragraph 2.0 (Definitions) of the Master Agreement to read as follows:

**"2.19 Power Purchase Agreement (PPA):** Agreement between the County and Contractor under the Renewable Resources and Distributed Generation Power category that includes terms and conditions, including, but not limited to financing and scope of work for the installation, operation, and maintenance of photovoltaic (solar) systems in County facility(ies) over an extended period of time at a fixed rate.

**2.20 Power Purchase Agreement Solicitation:** Competitive solicitation containing the Statement of Work, evaluation factors and other relevant information necessary to bid on a PPA. The PPA solicitation shall be sent to Qualified Contractors in the Renewable Resources and Distributed Generation Power category of the Master Agreement."

3. A new Paragraph 3.12 shall be inserted at the end of Paragraph 3.0 (Work) of the Master Agreement to read as follows:

"3.12 Under the Renewable Resources and Distributed Generation Power category, solicitations will result in Power Purchase Agreements (PPAs) which will be negotiated and mutually-agreed upon between County and Qualified Vendors. Such PPAs shall be evaluated consistent with this Paragraph (Work, 3.0) and shall contain all terms and conditions of the Master Agreement."

4. A new Paragraph 4.4 shall be inserted at the end of Paragraph 4.0 (Term of Master Agreement) to read as follows:

"4.4 Any Power Purchase Agreement (PPA) under the Renewable Resources and Distributed Generation Power category with an expiration date later than the Master Agreement expiration date shall be extended along with the terms and conditions under any successor Master Agreement, or automatically extend the Master Agreement expiration date to be consistent with the PPA expiration date. Such extended Master Agreement expiration date shall apply only to such PPA and shall not extend the Master Agreement expiration date for any other purpose whatsoever, including the issuance of new PPAs and/or extending any other then-existing PPAs."

5. A new Paragraph 5.5 (Payment Under Power Purchase Agreements) shall be inserted at the end of Paragraph 5.0 (Contract Sum) of the Master Agreement to read as follows:

**5.5 Payment Under Power Purchase Agreements**

Payment structure for any PPA executed under the Renewable Resources and Distributed Generation Power category shall be detailed in the PPA. Contractor shall be entitled to payment for Work performed under PPA up to the PPA expiration date subject to the terms in the PPA.

AMENDMENT NUMBER \_\_\_\_\_ «AMEND» TO ENERGY EFFICIENCY  
PROJECT SERVICES MASTER AGREEMENT NO. «MA Number»

Except as expressly provided in this Amendment, all other terms and conditions of the Master Agreement shall remain in full force and effect.

«Company\_Name» «dba»

COUNTY OF LOS ANGELES  
INTERNAL SERVICES DEPARTMENT

By: \_\_\_\_\_

By: \_\_\_\_\_  
Master Agreement Project Director

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## **Power Purchase Agreements**

A Power Purchase Agreement (PPA) is a financial arrangement where a third-party PPA provider installs, owns, operates, and maintains a photovoltaic (PV) system. The host customer (County) agrees to allow the PV system on its property, typically on its roof or on shade structures, and agrees to purchase the system's generated electricity from the PPA provider for a predetermined period. A PPA is a performance-based arrangement in which the host customer pays only for the energy that the system produces.

This financial arrangement will enable the County to purchase lower cost electricity than the County would receive from its utility service provider. The PPA provider acquires valuable financial benefits such as investment tax credits (ITCs), accelerated depreciation, utility incentives, and income generated from the sale of electricity to the County. PPAs are commonly used by local governments to acquire the output of renewable resource systems so that tax benefits gained by private entities may be passed through to non-taxable entities.

The PPA provider is responsible for the financing, designing, permitting, construction, operation, and maintenance of the PV System.

Proposals will be requested from qualified vendors under the Renewable Resources and Distributed Generation Power category of the current Energy Efficiency Project Master Agreement (EEPMA). The proposals will be evaluated based on rates proposed for each kWh of output, which covers the capital cost of the system, operation and maintenance, and other provider costs. The final PPA rate will include an annual price escalator to account for anticipated increases in the utility service provider rates. However, the PPA rate will be required to at all times be lower than the actual utility rate for each year. Proposals will also be evaluated based on future years' system benefits (i.e., the difference between the utility rate and the PPA proposed rate) by determining the Net Present Value (NPV) for each proposal. The County will determine the baseline utility rate for the purposes of the NPV evaluation. Bidders will propose an annual, escalated PPA rate to be compared against this baseline.

The term length of most PPAs ranges from seven years (the time by which currently available tax benefits are fully realized) to as long as 25 years (the PV systems' expected life).

The benefits of using a PPA structure for solar projects to the County include:

- No upfront capital cost
- Predictable energy pricing
- Tax benefits may be passed through to the local government host
- No system performance or operating risk
- Projects can be structured so that they always generate cash flow savings compared to actual utility costs
- Demonstrates environmental commitment and reduces carbon footprint
- Provides support for local economy and job creation

The PPA provider will be required to apply for and comply with California Solar Initiative (CSI) requirements to capitalize on incentives and incorporate financial benefits into final pricing.



TOM TINDALL  
Director

County of Los Angeles  
**INTERNAL SERVICES DEPARTMENT**

1100 North Eastern Avenue  
Los Angeles, California 90063

Telephone: (323) 267-2101  
FAX: (323) 264-7135

*"To enrich lives through effective and caring service"*

January 10, 2012

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:

**AWARD OF VEHICLE AND VEHICLE-RELATED EQUIPMENT  
AUCTION SERVICES CONTRACT  
(ALL DISTRICTS – 3 VOTES)**

**SUBJECT**

Approval of a vehicle and vehicle-related equipment auction services contract for use by various County departments.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Chair to sign the attached contract (Attachment 1) with CHP Enterprises, Inc. d.b.a. Ken Porter Auctions (Ken Porter Auctions) to provide vehicle and vehicle-related equipment auction services effective February 8, 2012, for a period of three (3) years, with two (2) one-year extensions and six (6) month-to-month extensions.
2. Authorize the Director, Internal Services Department (ISD), or his designee to exercise the renewal options and month-to-month extensions in accordance with the attached contract.
3. Delegate authority to the Director of ISD, or his designee, to execute applicable contract amendments should the original contracting entity merge, be acquired, or otherwise have a change of entity.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The County's surplus fleet vehicles and vehicle-related equipment are currently disposed of through the public auction process provided under a contract administered by the Internal Services Department (ISD). The contract is with an auction company and the County receives the sales revenue plus a percentage of the buyer's premium as described below. The existing contract expires on February 7, 2012, and the recommended action will ensure that auction services continue with no lapse in service. The new contract will continue to be managed by ISD and made available for use by all County departments.

County departments have a wide range of surplus vehicles and vehicle-related equipment which require disposal, including but not limited to, passenger cars, trucks, trailers, construction equipment and other automotive vehicles. Specialty type vehicles such as fire trucks and buses can also be auctioned under this contract. Approval of the recommended contract will ensure County departments continue to have the opportunity to generate revenue through the timely sale of surplus vehicles and vehicle related equipment.

### **Implementation of Strategic Plan Goals**

The recommended contract supports the County's Strategic Plan Goals No. 1 (Operational Effectiveness) by providing centralized contracts that provide auction services countywide.

### **FISCAL IMPACT/FINANCING**

Revenue is dependent upon the volume of vehicles and vehicle-related equipment to be auctioned. Over the last five fiscal years, the County received vehicle auction sales revenue averaging \$1.46 million per year. Each department receives revenue based on its vehicles and vehicle-related equipment that are sold.

Under the proposed contract, the County will receive 100% of the sales revenue. The recommended contractor will recover their cost by charging the purchaser a buyer's premium of 10% of the sales price. Ken Porter Auctions will retain 92.5% of the buyer's premium and will rebate 7.5% of the buyer's premium to the County. Additionally, Ken Porter will not charge the County for incidental services which increase the sales value of a vehicle, such as removal of light bars, decals, etc. or minor repairs that increase sales value.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

County Code (Chapters 2.81.910 and 2.122.080) authorizes the Director, ISD to dispose of surplus County property. The proposed Contract will be awarded under this authority effective February 8, 2012 for a period of three (3) years, with two (2) one-year extensions and six (6) month-to-month extensions. The Contract does not allow for a cost of living adjustment.

The terms and conditions of the recommended contract have been approved as to form by County Counsel. The contract contains the Board's required contract provisions including those pertaining to consideration of qualified County employees targeted for layoffs, as well as qualified GAIN/GROW participants for employment openings, compliance with the Jury Service Ordinance, Safely Surrendered Baby Law and the Child Support program.

This not a Proposition A agreement and, therefore, not subject to the Living Wage Program (County Code Chapter 2.201). It has been determined that the services under this contract do not impact Board Policy No. 5.030, "Low Cost Labor Resource Program", because of the specialized training needed to perform the work.

### **CONTRACTING PROCESS**

On June 28, 2011, ISD released a Request for Proposals (RFP) for vehicle and vehicle-related equipment auction services and posted the solicitation and contracting opportunity announcement on the County's "Doing Business with Us" web site (Attachment 2). Notice of the RFP was also sent by electronic mail to 27 vendors registered with the County (Attachment 3).

Five proposals were received on August 9, 2011 and were reviewed for compliance with the minimum requirements criteria stated in the RFP. Four of the five proposals were determined to be in compliance with the minimum requirements criteria. A committee evaluated the proposals in accordance with the evaluation process identified in the RFP. The non-selected proposers received debriefings on October 5 and 6, 2011, respectively.

A summary of Community Business Enterprise Program information for the recommended vendor is attached (Attachment 4). On final analysis, selections were made without regard to gender, race, creed, or color or national origin.

Honorable Board of Supervisors  
January 10, 2012  
Page 4

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommendation will ensure the County can continue to dispose of surplus vehicles and vehicle-related equipment through auctions and receive the revenue associated with sales.

**CONCLUSION**

Upon Board approval, the Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board letter to ISD as well as two original signed contracts.

Respectfully submitted,

TOM TINDALL  
Director

TT:JS:YY

Attachments (4)

c: Chief Executive Officer  
County Counsel