

# TRANSMITTAL

0150-11051-0000

TO  
City Council  
The Mayor

DATE

COUNCIL FILE NO.

FROM  
The Office of the City Administrative Officer

COUNCIL DISTRICT  
7

## **Memorandum of Understanding between the Department of Recreation and Parks and the Discovery Science Center of Los Angeles.**

For your consideration, see the City Administrative Officer report attached.

RHL:MGR:05180093

# 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: 02-09-18	C.D. No. 7	CAO File No.: 0150-11051-0000
Contracting Department/Bureau: Department of Recreation and Parks		Contact: Darryl Ford	
Reference: Letter to the Mayor from the Board of Recreation and Parks Commissioners dated November 30, 2017.			
Purpose of Contract: To facilitate the transfer of Proposition K maintenance funds awarded for the Discovery Cube Los Angeles facility.			
Type of Contract: (X) New contract ( ) Amendment, Contract No. [type C-XXXXX]		Contract Term Dates: Fifteen (15) years, beginning upon full execution of the proposed MOU	
Contract/Amendment Amount: \$158,122 initial funding amount (with future increases subject to the annual Proposition K maintenance award process).			
FY 2015-16 Maintenance Award \$ 73,545 + FY 2016-17 Maintenance Award \$ 84,577= Total \$ 158,122			
Source of funds: Proposition K Maintenance Funds			
Name of Contractor: Discovery Science Center of Los Angeles			
Address: 2500 N. Main St., Santa Ana, CA 92705			
	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: 98.6%			
*Applicable to contracts of \$1,000,000 or more			
Contractor has complied with:		Yes	No
8. Business Inclusion Program			X
9. Equal Benefits Ordinance		X	
10. First Source Hiring Ordinance			X
11. Contractor Responsibility Ordinance		X	
12. Slavery Disclosure Ordinance		X	
13. Bidder Certification CEC Form 50		X	
14. Prohibited Contributors (Bidders) CEC Form 55			X
15. CA Iran Contracting Act of 2010*			X
16. Arizona Policy			X

### COMMENTS

In accordance with Executive Directive No. 3, the Department of Recreation and Parks (RAP) requests approval of the proposed Memorandum of Understanding (MOU) between RAP and the Discovery Science Center of Los Angeles (DSCLA), which provides the necessary authorities for DSCLA to directly expend prior-year Proposition K maintenance funds awarded for the facility. The proposed contract term is for fifteen years effective upon execution, with an initial funding amount of \$158,122 that is comprised of Proposition K maintenance funds awarded in FY 2015-16 (\$73,545) and FY 2016-17 (\$84,577). Additional funding may be awarded through this MOU for the current and subsequent program years, depending on the results and funding availability for future Proposition K maintenance award cycles.

On December 10, 2012, the Board of Recreation and Park Commissioners (Board) approved a lease agreement between the DSCLA, a non-profit organization to serve as the operator of the City's children's museum and environmental awareness learning center located at the Hansen Dam Recreation Center (Board Report No. 12-327). The lease agreement was executed on January 4, 2013, and has a term of thirty years with an option to extend for one twenty year term. The Discover Cube of Los Angeles (facility) opened to the public on November 13, 2014. Under the terms of the lease DSCLA is responsible for any costs associated with the long-term operation and maintenance of the facility, including all security, maintenance, and custodial services costs. Although the City has no obligation to perform or fund any

 MGR	 Analyst	0150-11051-0000	 City Administrative Officer
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maintenance expenses for the facility during the term of the lease, Article 3.2 of the lease agreement states that " ... the CITY may, at its sole and absolute discretion, assist DCLA in identifying and securing funding for the operation and maintenance of the Center but has no obligation to do so."

The Proposition K Ballot Measure that established the program requires a portion of annual program funding be utilized for maintenance of completed Proposition K projects. The Proposition K maintenance funds are awarded annually through a competitive process, with the individual award amounts subject to the relative funding needs of requesting projects and the program's annual funding availability. The Office of the City Administrative Officer (CAO) and Chief Legislative Analyst (CLA) make recommendations on maintenance funding amounts to the L.A. for Kids Steering Committee that has oversight over the program. The annual maintenance awards are subject to final approval by City Council as part of the annual program budget adoption process (Proposition K Assessment Report).

The DSCLA project is eligible to apply for Proposition K maintenance funds since the project received capital funding under the Proposition K program that was used to construct the facility and complete its exhibit program (specified funds: Contracts No. C-98362 and C-109472; competitive funds: Contract No. C-100050). It was originally anticipated that the lease agreement with DSCLA would provide the City with sufficient authority to transfer the appropriated Proposition K maintenance funds to DSCLA. However, it was later determined that a separate mechanism would be needed in order to enable DSCLA to directly apply for and expend Proposition K maintenance funding. For the past two fiscal years, RAP has applied for and received cumulative funding of \$158,122 in Proposition K maintenance funds awarded for the facility, with the intent to transfer these funds to DSCLA since all maintenance at the facility is conducted by DSCLA staff and its contractors. None of the awarded funds have been expended and the full balance of \$158,122 would be transferred to DSCLA to reimburse the agency for prior-year eligible expenses, subject to approval of the proposed MOU.

## **RECOMMENDATION**

That the Council, subject to the approval of the Mayor, approve the proposed Memorandum of Understanding (MOU) and request the Board of Recreation and Parks President and Secretary to execute the MOU between RAP and the Discovery Science Center of Los Angeles (DSCLA) in order to facilitate the transfer of Proposition K maintenance funds awarded for the maintenance of the Discovery Cube Los Angeles facility located at Hansen Dam, and to provide that in the future, DSCLA may directly apply for Proposition K maintenance funding.

## **FISCAL IMPACT STATEMENT**

There is no impact on the General Fund. Approval of the MOU would authorize the transfer of \$158,122 in Proposition K maintenance funds to DSCLA, which were previously awarded to the Department of Recreation and Parks on the agency's behalf. The term of the proposed MOU will be effective for fifteen years, with any additional funding subject to the outcome of subsequent award cycles conducted for Proposition K maintenance funds

**DEPARTMENT OF RECREATION  
AND PARKS**

**BOARD OF COMMISSIONERS**

**SYLVIA PATSAOURAS**  
PRESIDENT

**LYNN ALVAREZ**  
VICE PRESIDENT

**MELBA CULPEPPER**  
**MISTY M. SANFORD**

**IRIS L. DAVIS**  
BOARD SECRETARY (213) 202-2640

**CITY OF LOS ANGELES**  
CALIFORNIA



**ERIC GARCETTI**  
MAYOR

**MICHAEL A. SHULL**  
GENERAL MANAGER

**ANTHONY-PAUL (AP) DIAZ ESQ.**  
EXECUTIVE OFFICER &  
CHIEF OF STAFF

**VICKI ISRAEL**  
ASSISTANT GENERAL MANAGER

**RAMON BARAJAS**  
ASSISTANT GENERAL MANAGER

221 N FIGUEROA ST.  
3RD FLOOR, SUITE 350  
LOS ANGELES, CA 90012  
(213) 202-2633, FAX (213) 202-2614

**LAPARKS.ORG**  
PARK PROUD LA

November 30, 2017

Honorable Eric Garcetti, Mayor  
City of Los Angeles  
Room 303, City Hall

Attention: Ms. Mandy Morales

Dear Mayor Garcetti:

In accordance with Executive Directive No. 3, attached herewith are three copies of a proposed Memorandum of Understanding (MOU) between the City of Los Angeles, Department of Recreation and Parks (RAP) and the Discovery Science Center of Los Angeles (DSCLA), in order to facilitate the transfer of any Proposition K funds awarded for the maintenance and permanent exhibits directly to DSCLA, and to provide that in the future, DSCLA may itself apply for Proposition K maintenance funding without having RAP be the pass-through entity for the application and the maintenance funds.

Also attached for the assistance of your Office in reviewing the proposed MOU is Board Report No. 17-245, which was adopted by the Board of Recreation and Park Commissioners at its Regular Meeting held on November 15, 2017. After your review and recommendation, the proposed MOU will be submitted to the Board for final action.

If you have any questions with regard to the proposed MOU, please contact Mr. Darryl Ford, Senior Management Analyst I, at (213) 202-2611.

Very truly yours,

**BOARD OF RECREATION AND  
PARK COMMISSIONERS**

**IRIS L. DAVIS**  
Commission Executive Assistant II

Attachments: Memorandum of Understanding  
Board Report No. 17-245

cc: Darryl Ford, Planning, Maintenance, and Construction Branch





**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE DEPARTMENT OF RECREATION AND PARKS AND THE  
DISCOVERY SCIENCE CENTER OF LOS ANGELES REGARDING PROPOSITION K  
MAINTENANCE FUNDS FOR THE DISCOVERY CUBE LOS ANGELES**

This Memorandum of Understanding ("MOU") regarding Proposition K maintenance funding for the Discovery Cube Los Angeles in the City of Los Angeles is entered into on \_\_\_\_\_, 20\_\_\_\_, by and between the City of Los Angeles, a municipal corporation, acting by and through its Board of Recreation and Park Commissioners ("CITY"), and the Discovery Science Center of Los Angeles ("DSCLA"), a California non-profit corporation. DSCLA and CITY may be referred to herein collectively as "PARTY" or "PARTIES".

WHEREAS, CITY owns and/or controls certain lands known as the Hansen Dam Recreation Area under the management and control of the Board of Recreation and Park Commissioners ("BOARD"). A portion of the subject lands are owned by CITY and a portion of the subject lands are owned by the U.S. Army Corps of Engineers ("USACE") and are leased to CITY for recreational purposes pursuant to Department of the Army Lease No. DACW09-1-69-45 between USACE and the CITY for property located within the Hansen Flood Control Basin; and,

WHEREAS, CITY has previously determined that CITY does not have personnel available in its employ with sufficient and appropriate expertise to develop the exhibits and operate and maintain a Children's Museum and an Environmental Learning Center and CITY, which are part of the Proposition K – L.A. for Kids Program, and due to budgetary constraints, is unable to obtain the appropriate personnel to perform these specialized tasks; and

WHEREAS, the CITY has previously determined that DSCLA has the staff and experience to develop, operate, manage, and maintain a Children's Museum and an Environmental Learning Center, provide unique and highly specialized educational programs, and oversee the design, fabrication and installation, or acquisition of state-of-the-art interactive exhibits, some of which are permanently installed and some of which can be refreshed and rotated over time; and,

WHEREAS, on January 4, 2013, CITY and DSCLA entered into a Lease Agreement (No. C-121656 of City Contracts) ("LEASE"), for the use of a portion of the subject lands and an existing building within the Hansen Dam Recreation Area for the specific purpose of providing a Children's Museum and an Environmental Learning Center, together known as a science center ("DISCOVERY CUBE LOS ANGELES" or "Center"), which emphasizes recreation and environmental awareness through focused learning about the natural environment using interactive exhibits that will provide both recreational and educational

opportunities, and that will increase the public's understanding and recognition of the need to sustain the environment for future generations; and,

WHEREAS, a portion of the funding utilized for the design and construction of the DISCOVERY CUBE LOS ANGELES building, and for the design, fabrication, and installation of the DISCOVERY CUBE LOS ANGELES's permanent exhibit program, was provided by the Proposition K Specified Grant Program (Contracts No. C-98362 and No. C-109472) and the Proposition K Competitive Grant Program (Contract No. C-100050); and,

WHEREAS, the Proposition K Ballot Measure designated that a portion of the Proposition K annual assessment be used for maintenance of completed projects, and projects funded by the Proposition K Grant Program are eligible to, on an annual basis, apply for maintenance funds (PROPOSITION K MAINTENANCE FUNDS); and,

WHEREAS, CITY, as the grant recipient of the Proposition K Specified Grant Program (Contracts No. C-98362 and No. C-109472) and the Proposition K Competitive Grant Program (Contract No. C-100050) funds that were utilized for the DISCOVERY CUBE LOS ANGELES building and permanent exhibits, is eligible to request and receive PROPOSITION K MAINTENANCE FUNDS for the maintenance of the DISCOVERY CUBE LOS ANGELES building and permanent exhibits; and,

WHEREAS, pursuant to the LEASE, DSCLA, is responsible for any costs associated with the long-term operation and maintenance of the DISCOVERY CUBE LOS ANGELES building and permanent exhibits and therefore is obligated to maintain the DISCOVERY CUBE LOS ANGELES building and permanent exhibit program amenities and improvements that were funded by the Proposition K Specified Grant Program (Contracts No. C-98362 and No. C-109472) and the Proposition K Competitive Grant Program (Contract No. C-100050); and,

WHEREAS, CITY currently does not perform any maintenance activity within the LEASE premises or at DISCOVERY CUBE LOS ANGELES; and,

WHEREAS, Article 3.2 of LEASE states, in part, that the CITY may, at its sole and absolute discretion, assist DSCLA in identifying and securing funding for the operation and maintenance of the Center; and,

WHEREAS, CITY has previously been awarded PROPOSITION K MAINTENANCE FUNDS for the maintenance of the DISCOVERY CUBE LOS ANGELES building and permanent exhibit program amenities and improvements that were funded by the Proposition K Specified Grant Program (Contracts No. C-98362 and No. C-109472) and the Proposition K Competitive Grant Program (Contract No. C-100050) and CITY desires to transfer previously awarded PROPOSITION K MAINTENANCE FUNDS to DSCLA; and,

WHEREAS, the PARTIES wish to enter into this MOU to establish the terms and conditions whereby in the future DSCLA can itself directly apply for and/or receive, on CITY's behalf, any PROPOSITION K MAINTENANCE FUNDS for the maintenance of the DISCOVERY CUBE LOS ANGELES building and permanent exhibit program amenities and improvements that were funded by the Proposition K Specified Grant Program (Contracts No. C-98362 and No. C-109472) and the Proposition K Competitive Grant Program (Contract No. C-100050); and,

NOW THEREFORE, in consideration of the foregoing and the terms and conditions set forth herein and the performance thereof, the PARTIES agree as follows:

1. Term. The term of this AGREEMENT shall be for fifteen (15) years, beginning upon its full execution by the PARTIES and expiring at midnight of the day immediately prior to the fifteenth (15th) anniversary of the Effective Date ("Term"), unless previously terminated in accordance with other provisions of this MOU. This MOU is effective under the term stated herein only if DSCLA is operating the DISCOVERY CUBE LOS ANGELES pursuant to the LEASE.
2. Maintenance of Discovery Cube Los Angeles. PARTIES acknowledge that DSCLA is obligated to maintain the DISCOVERY CUBE LOS ANGELES building and permanent exhibit program amenities and improvements that were funded by the Proposition K Specified Grant Program (Contracts No. C-98362 and No. C-109472) and the Proposition K Competitive Grant Program (Contract No. C-100050).
3. Proposition K Maintenance Funds. CITY may grant DSCLA authority to apply for PROPOSITION K MAINTENANCE FUNDS on behalf of CITY for said DISCOVERY CUBE LOS ANGELES building and permanent exhibit program amenities and improvements, subject to the terms and conditions further described in this MOU. As to the exhibits at the DISCOVERY CUBE LOS ANGELES, only those exhibits that were funded pursuant to the Proposition K Competitive Grant that was awarded to RAP for the installation of permanent exhibits are eligible for PROPOSITION K MAINTENANCE FUNDS.

PARTIES acknowledge that CITY does not guarantee or represent that PROPOSITION K MAINTENANCE FUNDS will be available at any point during the Term of this MOU. PARTIES also acknowledge that PROPOSITION K MAINTENANCE FUNDS are paid on a reimbursement basis and are conditioned on the applicant providing written proof of eligible maintenance costs incurred.

- (a) Authorization. Not less than thirty (30) days prior to the due date of any application for PROPOSITION K MAINTENANCE FUNDS, CITY shall notify DSCLA in writing if it will apply for PROPOSITION K MAINTENANCE FUNDS for DISCOVERY CUBE LOS ANGELES or if it authorizes DSCLA to apply for PROPOSITION K MAINTENANCE FUNDS for DISCOVERY CUBE

LOS ANGELES on behalf of the CITY's Department of Recreation and Parks ("RAP").

- (b) Application Preparation. Applications prepared by CITY for PROPOSITION K MAINTENANCE FUNDS for DISCOVERY CUBE LOS ANGELES shall be done so at its own expense and at no cost to DSCLA.

Applications for PROPOSITION K MAINTENANCE FUNDS prepared by DSCLA for DISCOVERY CUBE LOS ANGELES shall be done so at its own expense and at no cost to CITY.

- (c) Application Review and Approval. Applications prepared by DSCLA for PROPOSITION K MAINTENANCE FUNDS for DISCOVERY CUBE LOS ANGELES are subject to approval by General Manager of RAP or his or her designee prior to submission by DSCLA. DSCLA shall submit to RAP any application it prepares for PROPOSITION K MAINTENANCE FUNDS not less than fifteen (15) days prior to the deadline for submission of the application to the Proposition K Program. RAP shall notify DSCLA in writing within seven (7) days of the General Manager's approval or disapproval of any application. In the event of disapproval of any such application, the General Manager shall specify the reasons therefore.

- 4. Proposition K Maintenance Fund Payments. During the Term of this MOU, any PROPOSITION K MAINTENANCE FUNDS awarded for the maintenance of DISCOVERY CUBE LOS ANGELES shall be paid, disbursed, or appropriated directly to the PARTY that prepared and submitted said application for PROPOSITION K MAINTENANCE FUNDS.

If application for PROPOSITION K MAINTENANCE FUND is prepared and submitted by CITY, then any funds awarded for that application shall be paid, disbursed, or appropriated to CITY.

If application for PROPOSITION K MAINTENANCE FUND is prepared and submitted by DSCLA, then any funds awarded for that application shall be paid, disbursed, or appropriated to DSCLA. DSCLA acknowledges that it will have to executed a PROPOSITION K MAINTENANCE FUNDING GRANT AGREEMENT (or Supplemental Agreement thereto) for any fiscal year in which DSCLA applies for PROPOSITION K MAINTENANCE FUNDS for which said funds if awarded will be payable directly to DSCLA.

- 5. Previously Awarded Proposition K Funds. PARTIES acknowledge that CITY has previously applied for and been awarded PROPOSITION K MAINTENANCE FUNDS for DISCOVERY CUBE LOS ANGELES.

CITY shall pay, disburse, appropriate, or transfer any unspent and available PROPOSITION K MAINTENANCE FUNDS that were awarded to CITY for maintenance of DISCOVERY CUBE LOS ANGELES prior to the Effective Date of this MOU. This shall include, but not be limited to, PROPOSITION K MAINTENANCE FUNDS awarded to CITY for the maintenance of DISCOVERY CUBE LOS ANGELES during CITY Fiscal Years 2015-16, 2016-2017, and 2017-2018, if applicable.

The amount of unspent and available PROPOSITION K MAINTENANCE FUNDS to paid, disbursed, appropriated, or transferred to DSCLA is subject to DSCLA providing RAP with written proof of eligible billings and maintenance expenses incurred and compliance with any requirements set forth by the Proposition K Grant Program or the Proposition K Maintenance Funding Program.

6. Termination. Any failure to perform or comply with any of the terms, covenants, obligations, conditions or representations made under this MOU shall constitute an event of default (Event of Default), provided that PARTIES shall have a period of fifteen (15) business days from the date of written notice from either DSCLA or CITY of such Event of Default within which to cure under this MOU, or, if such Event of Default is not capable of cure within the 15-day period, PARTIES shall have a reasonable period of time to complete such cure if the PARTIES promptly undertake action to cure within the 15-day period and use their best efforts to complete such cure within sixty (60) calendar days after receipt of notice of an Event of Default. Upon occurrence of an Event of Default by PARTIES, DSCLA or CITY shall have the right to terminate this MOU or to exercise any of their rights or remedies available at law or in equity.

PARTIES shall have the right to terminate this MOU upon termination of LEASE.

CITY shall have the right to terminate this MOU if the Proposition K Grant Program determines that it will no longer make PROPOSITION K MAINTENANCE FUNDS available to grant recipients. If such a determination is made by the Proposition K Grant Program, CITY shall provide evidence of that determination to DSCLA.

7. Use of Proposition K Maintenance Funds. PARTIES acknowledge that any PROPOSITION K MAINTENANCE FUNDS awarded to PARTIES for maintenance of DISCOVERY CUBE LOS ANGELES shall be used solely for the purposes allowed by the Proposition K Grant Program and/or set forth in any application for PROPOSITION K MAINTENANCE FUNDS. DSCLA shall be liable to, and indemnify, the CITY for any liability, including any disallowed or ineligible costs or fines or penalties, which arise from or are related to DSCLA's use of PROPOSITION K MAINTENANCE FUNDS in violation of any rules and regulations related to the Proposition K Grant Program.



8. Miscellaneous.

- (a) This MOU may be amended or modified only in a writing signed by DSCLA and CITY. This MOU may be signed in counterparts.
- (b) This MOU contains the entire understanding between the PARTIES as of the date of this MOU, and all prior written or oral negotiations, discussions, understandings and agreements are superseded by this MOU.
- (c) All actions described herein including but not limited to the operation and maintenance of the DISCOVERY CUBE LOS ANGELES and the exhibits at the DISCOVERY CUBE LOS ANGELES, as permitted herein, are subject to and must be conducted and accomplished in accordance with all applicable local, State and federal laws.
- (d) Except as expressly provided to the contrary, all approvals, consents and determinations to be made by CITY hereunder may be made by General Manager of CITY's Department of Recreation and Parks or his or her designee in his or her sole and absolute discretion.

9. Notices. All notices and demands which may or are to be required or permitted to be given by either party to the other hereunder shall be in writing. All notices and demands shall be personally delivered (including by means of professional messenger service), sent by United States mail, postage prepaid, return receipt requested, or transmitted by telecopier (e.g., Fax) or electronic mail (upon mutual agreement of participating parties), in which case the receiving party shall immediately confirm receipt of such telecopied or e-mailed notice. All notices are effective upon receipt. In the event CITY is unable to give notice to DSCLA at the address(es) provided to CITY by DSCLA, notice shall be deemed effective when addressed to DSCLA at the Premises. Either party may from time to time designate another person or place in a notice. For the purposes of such notices, the addresses for the parties are set forth below:

To CITY or General Manager:

City of Los Angeles  
Board of Recreation and Park Commissioners  
221 North Figueroa Street, Suite 300  
Los Angeles, California 90012  
Telecopier: (213) 202-2612

with a copy of any notice to  
General Manager, Department of Recreation and Parks  
221 North Figueroa Street, Suite 350  
Los Angeles, California 90012  
Telecopier: (213) 202-2614

To DSCLA:

Executive Director, Discovery Cube Los Angeles  
11800 Foothill Boulevard  
Los Angeles, California 91342

with a copy of any notice to  
Chairman of the Board, Discovery Science Foundation  
2500 North Main Street  
Santa Ana, CA 92705  
Telecopier: 714-263-3838

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the PARTIES hereto have executed this MOU as of the date first written above.

Executed this \_\_\_\_\_ day  
of \_\_\_\_\_, 20\_\_

THE CITY OF LOS ANGELES, a municipal  
corporation, acting by and through its Board  
of Recreation and Park Commissioners

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

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

Executed this \_\_\_\_\_ day  
of \_\_\_\_\_, 20\_\_

DISCOVERY CUBE LOS ANGELES, a  
California non-profit organization

By: \_\_\_\_\_  
JULEE BROOKS  
EXECUTIVE DIRECTOR

Approved as to Form:

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

MICHAEL N. FEUER,  
City Attorney

By: \_\_\_\_\_  
DEPUTY CITY ATTORNEY