


0220-00539-0178

TRANSMITTAL

TO The Council	DATE JUN 16 2014	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT	

**First Amendment to the First Restated and Amended Grant Agreement with the
Los Angeles Cable Television Access Corporation (LACTAC) to
Manage and Operate Channel 36**

Transmitted for your consideration.
See the attached report from the City Administrative Officer.


MAYOR (Ana Guerrero)

MAS:AST 11140075h

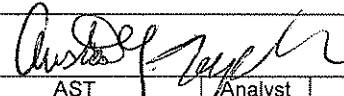


Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and/or Longer than Three Months)

To: The Council	Date: 06-13-14	C.D. No. All	CAO File No.: 0220-00539-0178
Contracting Department/Bureau: Information Technology Agency (ITA)		Contact: Laura Ito (213) 978-3322	
Reference: Request from ITA dated May 21, 2014; referred by Mayor for report			
Purpose of Contract: To manage and operate Channel 36 as an educational, community, and public access channel.			
Type of Contract: () New contract (X) Amendment		Contract Term Dates: July 1, 2005 through June 30, 2016 (two-year extension)	
Contract/Amendment Amount: \$1,010,000			
Proposed amount \$1,010,000 + Prior award(s) \$4,915,000 = Total \$5,925,000			
Source of funds: Telecommunications Liquidated Damages and Lost Franchise Fees Fund, Telecommunications Development Account, Grants to Third Parties			
Name of Contractor: Los Angeles Cable Television Access Corporation (LACTAC) Address: 2310 East 7 th Street, Los Angeles, CA 90023			
	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: 80%			
8. Contractor has complied with:			
	Yes	No	N/A*
a. Equal Employmt. Oppty./Affirm. Action	X		
b. Good Faith Effort Outreach**			X
c. Equal Benefits Ordinance	X		
d. Contractor Responsibility Ordinance	X		
e. Slavery Disclosure Ordinance	X		
f. Bidder Certification CEC Form 50			X
*N/A = not applicable ** Contracts over \$100,000			

COMMENTS

The Information Technology Agency (ITA) is proposing to enter into Amendment No. 1 (Amendment) to the First Restated and Amended Grant Agreement C-108757 (Grant Agreement) with the Los Angeles Cable Television Access Corporation (Contractor) to manage and operate Channel 36 as a Citywide public access, educational, and community programming channel. The proposed Amendment will extend the term of the Grant Agreement by two years through June 30, 2016 and will increase compensation by \$1.01 million, or \$505,000 per fiscal year. The Contractor has been providing this service on Channel 36 since 1997 through similar, predecessor agreements.

The Grant Agreement was initially executed on August 26, 2005 for a term of one year effective July 1, 2005 through June 30, 2006 with compensation of \$555,000. Since then, ITA has executed four amendments and four supplemental agreements, and a first restated and amended Grant Agreement in order to extend the term and increase compensation. The current Grant Agreement expires June 30, 2014 with compensation not to exceed \$4.915 million. The proposed Amendment will extend the term by two years from July 1, 2014 through June 30, 2016, for a total term of eleven years, and authorize additional compensation of \$1.01 million, or \$505,000 per fiscal year, for a total contract compensation not to exceed \$5.925 million.

 AST Analyst 11140075h	 Assistant CAO	 City Administrative Officer
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Funding of \$505,000 is included in the 2014-15 Adopted Budget, Telecommunications Development Account. Of this amount, \$250,000 must be utilized to fund Channel 36 capital costs. The remaining \$255,000 is designated for Channel 36 operating costs. The annual grant amount of \$505,000 is the same level of funding that was provided in fiscal year 2013-14. As there is a provision in the Grant Agreement that requires the Contractor to continue to move toward financial self-sufficiency and reduce the use of City funds for operations, the Channel 36 2014-15 budget also includes projected revenues of \$451,000 from sources other than the City grant.

ITA reports that the Contractor was initially selected on a sole source basis. ITA indicated at the time the Contractor was selected that there were no other providers that could manage and operate Channel 36. Since that time, ITA has not conducted a competitive procurement process to determine if other providers would be available to perform this service. ITA intends to conduct a Request for Proposals (RFP) process for these services in 2014-15. Extension of the contract for an additional two years will provide sufficient time for ITA to issue a new RFP and evaluate responses for the operation of Channel 36.

The Contractor has complied with all applicable City contracting requirements. Pursuant to Charter Section 1022, this Office determined that it is more feasible to contract for this work because there is insufficient existing City staff to perform the work proposed to be contracted, and additional staff cannot be employed and trained in a timely manner to meet the Department's needs. As this is a sole source contract, a Good Faith Effort (GFE) outreach is not required. Additionally, the Bidder Certification Form is not required because it was not in effect when the Grant Agreement was executed. In accordance with the Los Angeles Administrative Code Section 10.5(b)(2), Council approval of the proposed agreement is required because the term exceeds three years and the estimated annual compensation exceeds \$139,150.

RECOMMENDATION

That the Council approve and authorize the General Manager of the Information Technology Agency to execute Amendment No. 1 to the First Restated and Amended Grant Agreement C-108757 with the Los Angeles Cable Television Access Corporation, to extend the term by two years, for a new term of eleven years effective July 1, 2005 through June 30, 2016, and to increase compensation by \$1.01 million, for a new total contract compensation amount not to exceed \$5.925 million, subject to the review and approval of the City Attorney.

FISCAL IMPACT STATEMENT

Funding of \$505,000 for year one of the two-year extension is included in the 2014-15 Adopted Budget, Telecommunications Liquidated Damages and Lost Franchise Fee Fund 342, Telecommunications Development Account, Grants to Third Parties line item. All future year funding for this Grant Agreement beyond fiscal year 2014-15 is subject to Mayor and Council approval through the annual budget process. There is no additional impact on the General Fund. Approval of the recommendation of this report is in compliance with the City's Financial Policies as budgeted funds are available to support the proposed contract expenditures in 2013-14, and the Grant Agreement shall be subject to termination if funds are not appropriated in future fiscal years.