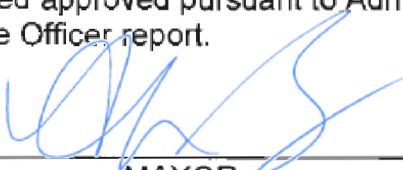


TRANSMITTAL

TO The City Council	DATE 07/05/19	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT --	

**Third Amendment to Contract No. C-124643
with Harris and Harris, Ltd. for the collection of
delinquent emergency medical services billing accounts**

Transmitted for your consideration. The Council has 60 days from the date of the receipt to act, otherwise the contract will be deemed approved pursuant to Administrative Code Section 10.5(a). See the attached City Administrative Officer report.



(Ana Guerrero) for
MAYOR

RHL:DP:04190184t

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: 06-06-19	C.D. No. --	CAO File No.: 0150-10806-0003				
Contracting Department/Bureau: Fire Department		Contact: Muriel Gee (213) 978-3461					
Reference: Transmittal from the Board of Fire Commissioners dated March 19, 2019; referred for report March 21, 2019.							
Purpose of Contract: To provide collection services for emergency medical service (EMS) billing accounts.							
Type of Contract: () New contract (X) Amendment, Contract No. C-124643		Contract Term Dates: September 22, 2014 through May 31, 2020 One-year extension					
Contract/Amendment Amount: Based on a contingency fee							
Proposed amount \$N/A + Prior award(s) \$N/A = Total \$N/A							
Source of funds: Delinquent EMS billing accounts collected by the Contractor on a contingency basis.							
Name of Contractor: Harris and Harris, Ltd.							
Address: 111 W. Jackson Blvd. Suite 400, Chicago IL 60604							
	Yes	No	N/A	Contractor has complied with:	Yes	No	N/A
1. Council has approved the purpose	X			8. Business Inclusion Program	X		
2. Appropriated funds are available	X			9. Equal Benefits & First Source Hiring Ordinances	X		
3. Charter Section 1022 findings completed	X			10. Contractor Responsibility Ordinance	X		
4. Proposals have been requested	X			11. Slavery & Border Wall Disclosure Ordinances	X		
5. Risk Management review completed	X			12. Bidder Certification CEC Form 50	X		
6. Standard Provisions for City Contracts included	X			13. Prohibited Contributors (Bidders) CEC Form 55	X		
7. Workforce that resides in the City: 0%				14. California Iran Contracting Act of 2010	X		

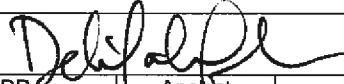
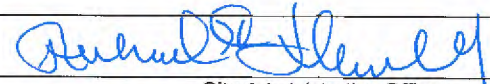
RECOMMENDATION

That the Council, subject to approval by the Mayor, approve and authorize the Fire Chief, or designee, to execute the Third Amendment, and fourth renewal option to Contract No. C-124643 between the Los Angeles Fire Department and Harris and Harris, Ltd., for collection services associated with delinquent emergency medical service billing accounts. The proposed amendment will extend the term by one year from June 1, 2019 through May 31, 2020.

SUMMARY

At its meeting of March 19, 2019, the Board of Fire Commissioners (Board) approved the third amendment to Contract No. C-124643 between the Los Angeles Fire Department (LAFD) and Harris and Harris, Ltd., (Contractor) to extend the term by one year through May 31, 2020. The Contractor is a third party debt collection agency that pursues the City's delinquent emergency medical services billing accounts.

The Contractor was originally selected through a Request for Proposals (RFP) released by the Office of Finance in March 2012. The LAFD piggybacked off the RFP and executed the initial agreement for

	
DP Analyst 04190184	City Administrative Officer

a 20-month term, with two one-year extensions, beginning on the date of execution September 22, 2014 through May 31, 2016.

On October 24, 2016, the LAFD executed the First Amendment with the Contractor to extend the term by one year from June 1, 2016 through May 31, 2017. On July 28, 2017, the LAFD executed the final renewal option, in the form of a supplemental agreement, to extend the term through May 31, 2018.

In 2018, the Office of Finance informed the LAFD that a RFP was being prepared for collection services. However, the RFP process would not be completed before the expiration of the existing amendment. On October 22, 2018, the LAFD executed a second supplemental agreement to extend the term through May 31, 2019 pending the completion of the RFP.

On May 17, 2019, the Office of Finance released a RFP for delinquent account collection services posted on the City's Los Angeles Business Assistance Virtual Network. The RFP submission deadline is on July 25, 2019.

The LAFD is requesting to extend the term of the existing agreement by one additional year through May 31, 2020 to allow for sufficient time to complete the RFP process.

The Personnel Department determined that the work proposed to be contracted can be performed by City employees; however, this Office determined that the work proposed can be performed more feasibly by a Contractor due to insufficient staff and the intermittent nature of work performed.

In accordance with the Los Angeles Administrative Code Section 10.5(b)2, Council approval of the proposed amendment is required because the term exceeds three years. To the best of our knowledge, the Contractor has complied with all standard provisions for City contracts, as well as City contracting requirements.

FISCAL IMPACT STATEMENT

The Los Angeles Fire Department estimates the FY 2019-20 annual net revenue to be \$1.7 million for emergency medical services billing accounts. All fees charged for the delinquent billing services will be paid to the Contractor on a contingency basis, subject to the revenue collected. The recommendation stated in this report is in compliance with the City's Financial Policies in that current operations will be funded by current revenues. There is no additional impact to the General Fund.

RHL:DP:04190184

Attachment

LOS ANGELES FIRE COMMISSION

Attachment

BOARD OF
FIRE COMMISSIONERS

DELIA IBARRA
PRESIDENT

ANDREW GLAZIER
VICE PRESIDENT

JIMMY H. HARA, M.D.
REBECCA NINBURG
JIMMIE WOODS-GRAY

LETICIA GOMEZ
COMMISSION EXECUTIVE ASSISTANT II



ERIC GARCETTI
Mayor

SUE STENGEL
INDEPENDENT ASSESSOR

EXECUTIVE OFFICE
200 NORTH MAIN STREET, SUITE 1840
LOS ANGELES, CA 90012

(213) 978-3838 PHONE
(213) 978-3814 FAX

March 19, 2019

Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
Attn: Legislative Coordinator

[BFC 19-038] –THIRD AMENDMENT TO AGREEMENT C-124643 WITH HARRIS & HARRIS, LTD. FOR COLLECTION SERVICES

At its meeting of March 19, 2019, the Board of Fire Commissioners approved the report and its recommendations. The report is hereby transmitted to the Mayor for consideration and approval.

Should you need additional information, please contact the Board of Fire Commissioners' office at 213-978-3838.

Sincerely,

A handwritten signature in black ink, appearing to read "Isela Iñiguez".

Isela Iñiguez
Acting Commission Executive Assistant

Attachment

cc: Board of Fire Commissioners (without attachments)
Fire Chief Ralph M. Terrazas (without attachments)

March 19, 2019

LOS ANGELES FIRE DEPARTMENT

RALPH M. TERRAZAS
FIRE CHIEF

APPROVED: 3/19/19
BOARD OF FIRE COMMISSIONERS
BY: [Signature]
COMMISSION EXECUTIVE ASSISTANT

March 6, 2019

BOARD OF FIRE COMMISSIONERS
FILE NO. 19-038

TO: Board of Fire Commissioners
FROM: ~~MAAT~~ Ralph M. Terrazas, Fire Chief
SUBJECT: THIRD AMENDMENT TO AGREEMENT C-124643 WITH HARRIS & HARRIS, LTD. FOR COLLECTION SERVICES

FINAL ACTION:	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved w/Corrections	<input type="checkbox"/> Withdrawn
	<input type="checkbox"/> Denied	<input type="checkbox"/> Received & Filed	<input type="checkbox"/> Other

SUMMARY

The Los Angeles Fire Department (LAFD) contracts for services to collect payment of delinquent emergency medical service billing accounts. The LAFD piggy-backed on the Office of Finance's Request for Proposals (RFP), released on March 30, 2012, to contract with Harris & Harris, Ltd. The initial Agreement between the LAFD and Harris & Harris, Ltd. was for a 20-month term, plus two one-year extensions. Agreement C-124643 began on September 22, 2014 and expired on May 31, 2016.

On August 16, 2016, the Board of Fire Commissioners approved a First Amendment to exercise the first renewal option to extend the term of the Agreement through May 31, 2017. On June 6, 2017, the Board of Fire Commissioners approved a First Supplemental Agreement to exercise the second renewal option to extend the term of the Agreement through May 31, 2018.

In 2018, the LAFD was advised that the Office of Finance was preparing an RFP for collection services. Because the RFP process would not be completed by May 31, 2018, the Board of Fire Commissioners approved a Second Supplemental Amendment on July 3, 2018 to extend the term of the Agreement through May 31, 2019.

The Office of Finance continues to prepare an RFP for collection services. Because the RFP process will not be completed by May 31, 2019, the LAFD desires to extend the term of the Agreement to May 31, 2020, in order to allow for sufficient time for the LAFD to piggy-back off of the Office of Finance's RFP process to select a contractor.

Harris & Harris, Ltd. collected revenues of \$2.5M in FY 2014-15, \$2M in FY 2015-16, \$1.8M in FY 2016-17, \$ 2.2M in FY 17-18 and is projected to collect approximately

\$1.7M in FY 2019-20. The LAFD proposes extending the term of the Agreement through May 31, 2020 to continue these collection services.

The City Attorney has reviewed and approved the Third Amendment as to legal form. Pursuant to Los Angeles City Charter Section 373, approval by the City Council is required.

RECOMMENDATIONS

That the Board:

1. Approve and authorize the Fire Chief to execute the Third Amendment to Agreement C-124643 between the City and Harris & Harris, Ltd., for collection services, for the period of June 1, 2019 through May 31, 2020.
2. Transmit the Third Amendment to Agreement C-124643 to the Mayor for approval in accordance with Executive Directive No. 3.

FISCAL IMPACT

Extending the Agreement for collection services for an additional year will generate an estimated \$1.7 million in General Fund revenue.

Board report prepared by Lauren Nakasuji, Senior Management Analyst I,
Administrative Services Bureau.

Attachment

**THIRD AMENDMENT TO AGREEMENT C-124643
BETWEEN
THE CITY OF LOS ANGELES
AND
HARRIS & HARRIS, LTD.
FOR COLLECTION SERVICES OF THE CITY'S
DELINQUENT ACCOUNTS RECEIVABLE**

This Third Amendment to Agreement C-124643 is made between the City of Los Angeles (hereinafter referred to as the "CITY"), a municipal corporation, acting by and through the Los Angeles Fire Department (hereinafter referred to as the "LAFD") and Harris & Harris, Ltd., (hereinafter referred to as the "CONTRACTOR").

WITNESSETH:

WHEREAS, CITY utilizes outside collection agency services as a best practice in delinquent debt collection and revenue generator to the CITY; and

WHEREAS, CITY, through its Office of Finance, prepared and released a Request for Proposals (RFP) for Primary and/or Secondary Collection Services to pursue collection of the CITY's delinquent accounts; and

WHEREAS, the CONTRACTOR recognizes that the CITY may contract with multiple agencies for collection services and may utilize any account allocation process that it deems appropriate; and

WHEREAS, the RFP Evaluation Committee evaluated the proposals received and recommended approval of the CONTRACTOR to the CITY Council; and

WHEREAS, the CITY Council approved the CONTRACTOR as one of the agencies for collection services to pursue collection of the CITY's delinquent accounts; and

WHEREAS, on August 22, 2014, CITY Council (Council File No. 14-0870) authorized the Fire Chief, or designee, to execute the Agreement No. C-124643 between the LAFD and Harris & Harris, Ltd. for collection services associated with delinquent Emergency Medical Services (EMS) billing accounts, effective the date of execution through May 31, 2016, with up to two additional one-year extensions, on a contingency fee basis; and

WHEREAS, the LAFD is a Covered Healthcare Entity within the CITY organization, and in accordance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) must enter into a separate Business Associate Agreement (BAA) with CONTRACTOR to ensure the security and segregation of accounts containing Protected Healthcare Information (PHI); and

WHEREAS, on October 24, 2016, the CITY, in a Restatement and First Amendment to Agreement No. C-124643, extended the term through May 31, 2017 and updated the BAA; and

WHEREAS, on July 28, 2017, the CITY, in a First Supplemental Agreement to Agreement No. C-124643, extended the term through May 31, 2018; and

WHEREAS, on September 21, 2018, the CITY Council (C.F. 14-0870) approved a Second Supplemental Amendment to Agreement No. C-124643, to extend the term beyond three years to May 31, 2019; and

WHEREAS, the CITY, through its Office of Finance, is preparing an RFP for Primary and/or Secondary Collection Services; and

WHEREAS, until the CITY enters into a new agreement for collection services through the RFP process, the CITY desires in this Third Amendment to extend the term of Agreement No. C-124643 through May 31, 2020; and

NOW THEREFORE, in consideration of the above premises and the covenants, representations and agreements herein contained, the parties hereby agree as follows:

1. **ARTICLE VI – TERM**, is hereby amended in its entirety to read:

The term of this Agreement shall commence upon execution, and continue through May 31, 2020, unless terminated earlier as provided herein or amended as elsewhere provided herein.

Where services are needed to be continued beyond the initial term of the Agreement, and where those services are consistent with the terms contained herein, those services are hereby ratified and covered by this Agreement.

2. **ARTICLE X – INCORPORATION BY REFERENCE**, is hereby amended in its entirety to read:

A. The CONTRACTOR agrees to comply with all terms and conditions set forth in the City's Standard Provisions for City Contracts (Rev. 10/17)[v.3], a copy of which is attached hereto as Appendix A and incorporated herein by reference.

B. Disclosure of Border Wall Ordinance

The CONTRACTOR shall comply with Los Angeles Administrative Code Section 10.50 et seq., "Disclosure of Border Wall Contracting." CITY may terminate this Agreement at any time if CITY determines that CONTRACTOR failed to fully and accurately complete the required affidavit and disclose all Border Wall Bids and Border Wall Contracts, as defined in LAAC Section 10.50.1

Except as amended by this Third Amendment, all other provisions of Agreement No. C-124643 shall remain in full force and effect

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IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their respective duly authorized representatives.

THE CITY OF LOS ANGELES

HARRIS & HARRIS, LTD.

By: _____
RALPH M. TERRAZAS
Fire Chief

By: _____
ARNOLD S. HARRIS
President and CEO

Date: _____

Date: _____

By: _____
DAVID L. HARRIS
EVP & COO

Date: _____

APPROVED AS TO FORM:
MICHAEL N. FEUER
City Attorney

ATTEST:
HOLLY L. WOLCOTT
City Clerk

By: _____
KIMBERLY D. MIERA
Deputy City Attorney

By: _____
Deputy Clerk

Date: _____

Date: _____