

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL MEMORANDUM

Date: September 13, 2018

To: The Honorable City Council  
c/o City Clerk, Room 395, City Hall  
Attention: Honorable Mike Bonin, Chair, Transportation Committee

From:  Seleta J. Reynolds, General Manager  
Department of Transportation 

Subject: **CONTRACT C-119654 - INCREASE IN TOTAL COMPENSATION LIMIT AND CONTRACTOR NAME CHANGE (CF 11-1333)**

**SUMMARY**

The Los Angeles Department of Transportation (LADOT) requests approval to increase the total compensation limit under LA Express Park contract C-119654 from \$30.5 million to \$35.5 million, and execute a contract amendment to change and assign all rights under the contract from Xerox State and Local Solutions, Inc. (Xerox) to Conduent State and Local Solutions, Inc. (Conduent).

**RECOMMENDATIONS**

That the City Council, subject to approval of the Mayor:

1. **AUTHORIZE** an increase to the total compensation limit under the LA Express Park contract (C-119654), from \$30.5 million to \$35.5 million to continue to operate, expand, and enhance the LA Express Park program; and
2. **AUTHORIZE** the General Manager of LADOT, or her designated staff, to execute a contract amendment with Conduent to reflect the name change under contract C-119654.

**BACKGROUND**

On September 29, 2011, LADOT entered into a two-year contract with ACS State and Local Solutions, Inc. to provide development, installation, and operation of the systems and equipment necessary to implement the LA Express Park program, an intelligent parking management system. The City Council authorized LADOT to execute the contract for a term of two years with two one-year options to extend with a total compensation not to exceed \$30.5 million.

In 2013 and 2014, LADOT exercised the two one-year options available on the contract, which extended the term to September 28, 2015. LADOT executed Amendment No. 1 to the contract on October 27, 2015, which extended the term until September 28, 2018 and provided the City the right to exercise two additional one-year options. LADOT intends to administratively exercise the first one-year option to

extend the current contract to September 28, 2019. Within one year, LADOT will consider whether to administratively exercise the second year contract extension option to September 2020.

The Department requests to increase the total compensation limit by \$5 million from of \$30.5 million to \$35.5 million. LADOT anticipates nearing the original compensation limit by the end of September 2018, prior to completion of several projects. The City received awards for additional LA Express Park grant-funded expansion projects not contemplated or included in the original contract. This increase adds compensation authority for these projects. The new projects are the implementation of the Hollywood Integrated Modal Information System (HIMIS) project which includes the LA Express Park program for the Hollywood area, and the expansion of the LA Express Park program to the Venice and Exposition Park/USC areas.

Since the execution of the original contract, the contracting party, ACS State and Local Solutions, Inc. changed its name twice. It first changed its name to Xerox State and Local Solutions, Inc. on April 2, 2012, then to Conduent State and Local Solutions, Inc. on February 16, 2017. In a letter dated March 6, 2017, Conduent informed LADOT that as of January 1, 2017 the business services division of its parent company, Xerox Corporation, is now part of and is being conducted under the new name Conduent, Inc., as the result of the split from the Xerox Corporation.

## **DISCUSSION**

### Increase to the Total Compensation Limit

As previously stated, the total compensation allowed under the original contract is \$30.5 million. LADOT estimates expenditures under this contract through September 2018 at \$30 million. The following are the total amounts LADOT expects to spend by project by the end of September 2018:

- Downtown LA Express Park - \$24.7 million
- Westwood LA Express Park - \$900,000
- Hollywood Integrated Modal Information System - \$1.9 million
- Citywide Replacement of Multi-Space Meters - \$2.4 million
- GoLA Program - \$100,000

Over the next two years, LADOT anticipates spending approximately \$5 million comprised of about \$2.6 million to finish and manage the above mentioned projects, and about \$2.4 million to work on the Venice and Exposition Park/USC LA Express Park projects.

### Name Change

LADOT is currently in its seventh contract year with ACS/Xerox/Conduent for this purpose. The contractor continued to perform without interruption and acknowledged the name change to Conduent in Change Notice No. 11. The City Attorney advised that the separation of Xerox State and Local Solutions, Inc.'s from its parent company, Xerox Corporation, into two independent public companies requires an amendment, assignment, and delegation as mandated by contract and the City's Standard Provisions, Sections PSC-12 and PSC-13. The two newly created companies are Xerox Corporation, a document technology company, and Conduent, Inc., consisting of the business process outsourcing. Except for the name change and assignment of rights, all other provisions under contract C-119654 remain unchanged.

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**FISCAL IMPACT STATEMENT**

There is no impact to the General Fund. The contractual expenses discussed in this report are funded on an annual basis through the budget in the Special Parking Revenue Fund.

SJR:KH:jc

Attachment

**AMENDMENT NO. 3  
TO CONTRACT NO. C-119654  
BETWEEN THE CITY OF LOS ANGELES AND  
CONDUENT STATE & LOCAL SOLUTIONS, INC.  
(Formerly ACS STATE & LOCAL SOLUTIONS, INC. and XEROX STATE & LOCAL SOLUTIONS, INC.)**

This AMENDMENT NO. 3 TO CONTRACT NO. C-119654 ("CONTRACT") is made and entered into between the City of Los Angeles, a municipal corporation ("CITY"), and Conduent State & Local Solutions, Inc., New York Dept. of State DOS ID# 157061, CA Secretary of State # C1010493 ("CONDUENT" or "CONTRACTOR"), successor-in-interest to ACS State & Local Solutions, Inc. and Xerox State & Local Solutions, Inc., with reference to the following facts:

WHEREAS, under Section 13, CHANGES, AMENDMENTS AND EXTENSIONS, Sub paragraph ii, AMENDMENTS, allows that to effectuate any revision that "significantly affects the scope of work, performance, payments, or any term or condition included in this CONTRACT, an Amendment to the CONTRACT shall be approved by the CONTRACTOR'S Project Manager and executed by the General Manager of the City of Los Angeles Department of Transportation, subject to the approval of the Mayor and City Council. All CONTRACT Amendments shall be subject to the approval of the City Attorney, as to form and legality";

WHEREAS, CONTRACTOR, then known as ACS State & Local Solutions, Inc., and CITY, entered into an agreement on September 29, 2011, to provide development, installation, and operation of the systems and equipment necessary to implement LA ExpressPark™, an intelligent parking management system ("CONTRACT NO. C-119654" or "CONTRACT");

WHEREAS, said CONTRACT was extended by Amendment 1 to expire September 28, 2018, with the City having the right to exercise two additional one-year options;

WHEREAS, on or about October 2010, ACS State & Local Solutions, Inc., became owned by Xerox Corporation, as the result of the merger of its ultimate parent company Affiliated Computer Services, Inc. with Xerox Corporation;

WHEREAS, effective as of April 2, 2012, ACS State & Local Solutions, Inc. changed its name to Xerox State & Local Solutions, Inc.;

WHEREAS, effective as of January 3, 2017, Xerox Corporation, Xerox State & Local Solutions, Inc.'s ultimate parent company, was spun-off into two, independent, public companies: Xerox Corporation, the Document Technology Company, consisting of the document management and document outsourcing; and Conduent Incorporated, consisting of the Business Process Outsourcing (BPO) business including Xerox State & Local Solutions, Inc.;

WHEREAS, on February 16, 2017 Xerox State & Local Solutions, Inc. changed its name to Conduent State & Local Solutions, Inc.;

WHEREAS, Conduent State & Local Solutions, Inc. remains the contracting party under CONTRACT NO. C-119654;

WHEREAS, the CITY and Conduent State & Local Solutions, Inc. wish to amend the CONTRACT to reflect the changes made to the name of CONDUENT without interruption in their contractual arrangements;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants made herein, and other good and valuable consideration, the receipt of which is acknowledged, CITY and CONDUENT mutually agree to modify the CONTRACT as follows:

1. Except where otherwise specified, where the names ACS State & Local Solutions, Inc., Xerox State & Local Solutions, Inc., or any shortened version of the same names meant to refer to them (i.e. ACS, Xerox) appear throughout the Agreement or any exhibits/attachments thereto, said name is now replaced with, and shall mean and refer to, Conduent State & Local Solutions, Inc.

2. Except as amended herein and as modified elsewhere, all other provisions of CONTRACT NO. C-119654 shall remain in full force and effect. In the event of any conflict between the terms of this Amendment and the CONTRACT, the terms of this Amendment shall take precedence.

3. CITY acknowledges the assignment of all rights and obligations formerly held by ACS State & Local Solutions, Inc., and Xerox State & Local Solutions, Inc. under CONTRACT NO. C-119654, to Conduent State & Local Solutions, Inc.

The parties hereby indicate their agreement to this change by their signatures hereunder.

For: THE CITY OF LOS ANGELES  
DEPARTMENT OF TRANSPORTATION

For: CONDUENT STATE & LOCAL  
SOLUTIONS, INC.

By: \_\_\_\_\_  
Seleta J. Reynolds  
General Manager

By: \_\_\_\_\_  
Kirk Strassman  
Senior Director

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

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

Approved as to Form and Legality:  
MICHAEL N. FEUER  
City Attorney

By: \_\_\_\_\_  
Michael Nagle  
Deputy City Attorney IV

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