

0220-00540-1677

TRANSMITTAL

TO The Council The City Attorney	DATE 11/16/2023	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT Citywide	

**Second Amendment to Contract No. C-138119
with Interwest Consulting Group, Inc.,
to provide tenant relocation assistance services**

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



MAYOR
(Chris Thompson for)

MWS:CV:02240026c


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: 11-03-23	C.D. No.: --	CAO File No.: 0220-00540-1677				
Contracting Department/Bureau: Los Angeles Housing Department		Contact: Anna Ortega (213) 808-8826					
Reference: Los Angeles Housing Department transmittal dated September 21, 2023; Received by the City Administrative Officer on September 27, 2023; Additional information received through October 16, 2023.							
Purpose of Contract: To provide displaced tenants relocation assistance services.							
Type of Contract: () New contract (x) Amendment, Contract No. C-138119		Contract Term Dates: December 1, 2020 through November 30, 2023 (original contract) December 1, 2023 through November 30, 2024 (proposed one year amendment)					
Contract/Amendment Amount: \$3,000,000 (for total contract of \$7,700,000)							
Source of funds: Rent Stabilization Trust Fund No. 440, and Foreclosure Registry Trust Fund, Fund No. 56V							
Name of Contractor: Interwest Consulting Group, Inc.							
Address: 1 Jenner, Suite 160, Irvine, CA 92618							
	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. 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 Mayor authorize the General Manager of the Los Angeles Housing Department (LAHD), or designee, to:

1. Execute an amendment to City Contract No. C-138119 with Interwest Consulting Group, Inc., for the tenant relocation assistance services, to increase the compensation amount by \$3,000,000 for a revised total maximum allowable compensation not to exceed \$7,700,000, and extend the contract term by 12 months for a revised contract term of 48 months from December 1, 2020 through November 30, 2024, in substantial conformance with the draft amendment attached to the LAHD transmittal dated September 21, 2023, subject to the review and approval of the City Attorney as to form, contractor performance, and compliance with the City's contracting requirements; and,
2. Prepare Controller instructions and any technical adjustments consistent with the Mayor and Council actions related to this matter, subject to the approval of the City Administrative Officer; and,

Carina Valdivia			 City Administrative Officer
CV	Analyst	02240026	

3. Authorize the Controller to expend funds from the Rent Stabilization Trust Fund No. 440/43, Account No. 43Y208 – Relocation Services Provider Fee, upon written request from LAHD.

SUMMARY

The Los Angeles Housing Department (LAHD) requests authority to execute a second amendment to City Contract No. C-138119 with Interwest Consulting Group, Inc., to provide tenant relocation assistance services to qualified displaced tenants under the Los Angeles Municipal Code (LAMC) to increase funding by \$3,000,000, for a new total of \$7,700,000, and extend the contract term by twelve months with an end date of November 30, 2024. Funding to support the tenant relocation assistance services contract was included in the Fiscal Year 2023-2024 Adopted Budget, Rent Stabilization Trust Fund No. 440.

Interwest Consulting Group, Inc. (Contractor)		
City Contract No. C-138119		
Contract Activity	Contract Term	Contract Amount
Initial Contract	December 1, 2020- November 30, 2023	\$4,500,000
First Amendment	December 1, 2020- November 30, 2023	\$200,000
Second Amendment	December 1, 2023 – November 30, 2024	\$3,000,000
Total		\$7,700,000

On March 16, 2020, the LAHD released a Request for Proposals (RFP) to solicit responses from qualified firms to provide displaced tenants relocation assistance services as required under the LAMC (C.F. No. 19-0600). The contractor selected, Interwest Consulting Group, Inc. (Interwest), was approved on January 1, 2021 (C.F. No. 20-1484) to provide relocation services when landlords displace tenants for no-fault evictions. In accordance with LAMC sections 46.06, 46.07, 151.09.G, 165.06.A, Interwest will assess the needs of the displaced tenants and assist them in finding replacement rental units. The original contract was for a term of three years, from December 1, 2020 through November 30, 2023, with a compensation amount not to exceed \$4,500,000. The first amendment increased the amount by \$200,000 using a one-time funding source from the Foreclosure Registry Trust Fund (Penalty sub fund), for a new total contract amount of \$4,700,000, and expanded the scope of work to include the Senate Bill 8 (SB 8) Right of Return. The proposed second amendment would increase the compensation amount by \$3,000,000, for a new total contract amount not to exceed \$7,700,000. It would also extend the term an additional 12 months for a total of 48 months.

Pursuant to Charter Section 1022, the Personnel Department determined on March 18, 2020 that City classifications have the necessary qualifications to perform the work. However, this Office determined on April 17, 2020 that it is more feasible to contract because the services are intermittent in nature and exceed staffing availability. Subsequent to the release of its transmittal dated September 21, 2023, the LAHD submitted to the Employee Relations Division A Notice of Intent to Contract for tenant relocation assistance services for the proposed Second Amendment on October 16, 2023.

In accordance with the Los Angeles Administrative Code Section 10.5(b)(2), Council approval of the proposed Second Amendment is required because the cumulative term of the contract exceeds three years. To the best of this Office’s knowledge, the contractor has complied with all standard provisions for City contracts.

FISCAL IMPACT STATEMENT

Funding for the proposed amendment was approved in the 2023-24 Adopted Budget, Rent Stabilization Trust Fund No. 440. The City's financial obligation will be limited to funds appropriated for this purpose pursuant to the Standard Provisions for City Contracts. The recommendation stated in this report will have no additional impact to the General Fund.

FINANCIAL POLICIES STATEMENT

The recommendation stated in this report complies with the City's Financial Policies in that one-time revenues will be used to support one-time expenditures.

MWS:CV:02240026c

Attachments

Ann Sewill, General Manager
Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager
Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager

City of Los Angeles



LOS ANGELES HOUSING DEPARTMENT
1200 West 7th Street, 9th Floor
Los Angeles, CA 90017
Tel: 213.808.8808
housing.lacity.org

Karen Bass, Mayor

September 21, 2023

Council Files: New
Council District: Citywide
Contact Person(s):
Anna Ortega (213) 808-8826
Emma Garcia (213) 808-8519

The Honorable Karen Bass
Mayor, City of Los Angeles
200 North Spring Street, Room 303
Los Angeles, CA 90012

Attention: Heleen Ramirez, Legislative Coordinator

COUNCIL TRANSMITTAL: LOS ANGELES HOUSING DEPARTMENT REQUEST FOR AUTHORITY TO EXECUTE A SECOND AMENDMENT FOR THE TENANT RELOCATION ASSISTANCE SERVICES CONTRACT WITH INTERWEST CONSULTING GROUP, INC. (C-138119) TO EXTEND THE TERM AND TO INCREASE THE TOTAL CONTRACT COMPENSATION

SUMMARY

The General Manager of the Los Angeles Housing Department (LAHD) respectfully requests that your office review and approve this transmittal and forward it to the City Council for further consideration. Through this transmittal, LAHD requests authority to execute a second amendment, to extend the term and to increase the total compensation for the tenant relocation assistance services contract with Interwest Consulting Group, Inc. (C-138119). The existing contract will expire on November 30, 2023. Approval of this request will enable LAHD to continue utilizing the services of the contractor and ensure the uninterrupted provision of the required relocation assistance services to displaced tenants under the Los Angeles Municipal Code (LAMC).

RECOMMENDATIONS

- I. That the Mayor review this transmittal and forward to the City Council for further action;
- II. That the City Council, subject to the approval of the Mayor:
 - A. AUTHORIZE the General Manager of the LAHD, or designee, to execute a second amendment to City Contract C-138119 with Interwest Consulting Group, Inc. This amendment will extend the

An Equal Opportunity Employer

term of the contract by twelve months to end on November 30, 2024, and will increase the contract amount by \$3,000,000 for a new total contract amount of up to \$7,700,000 as shown in the table below, in substantial conformance with the attached draft pro forma Agreement, subject to contractor’s performance, funding availability, and approval of the City Attorney as to form.

Interwest Consulting Group, Inc. (Contractor)		
Agreement Number C-138119		
Contract Activity	Contract Term	Contract Amount
Initial Contract	December 1, 2020 - November 30, 2023	\$4,500,000
First Amendment	December 1, 2020 - November 30, 2023	\$200,000
Second Amendment	December 1, 2023 - November 30, 2024	\$3,000,000
Total		\$7,700,000

- B. AUTHORIZE the City Controller to expend funds from the Rent Stabilization Trust Fund, Fund No. 440/43, Account No. 43Y208 - Relocation Services Provider Fee, upon written demand of the LAHD General Manager, or designee.

- C. AUTHORIZE the General Manager of LAHD, or designee, to prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and City Council action on this matter, subject to the approval of the City Administrative Officer, and instruct the Controller to implement the instructions.

BACKGROUND

In view of the scarcity of affordable housing, in 2007, the City took steps to mitigate the effects of displacement on tenants evicted for no-fault reasons by adopting Ordinance 178632, effective May 26, 2007 (C.F. No. 06-1325), which amended various sections of the Los Angeles Municipal Code to create an improved tenant relocation assistance program. Included in the City’s enhanced relocation assistance program were various amendments to the Rent Stabilization Ordinance (RSO), such as plans to procure a tenant relocation assistance contractor to assist tenants (particularly the elderly, persons with physical limitations and families with minor dependent children) in locating suitable replacement housing.

On January 1, 2021, the Mayor and the City Council adopted C.F. No. 20-1484, authorizing LAHD to execute a contract with Interwest Consulting Group, Inc., which was selected through the review of proposals submitted in response to the tenant relocation assistance services Request for Proposals (RFP). This RFP solicited qualified firm(s) to provide displaced tenants relocation assistance services as required under the LAMC (C.F. No. 19-0600), for a term of three years, beginning on December 1, 2020 through November 30, 2023, with a compensation amount not to exceed \$4,500,000.

On January 27, 2023, the Mayor and the City Council authorized LAHD to amend the Interwest Consulting Group, Inc. contract to increase the amount by \$200,000 using a one-time funding source from the Foreclosure Registry Trust Fund (Penalty sub fund), for a new total contract amount of \$4,700,000 and to expand the scope of work to include the Senate Bill 8 (SB 8) Right to Return services for displaced tenants and assist with their right of first refusal to newly built units. Relative to the implementation of the Housing Crisis Act (SB 330 and SB 8), the LAHD report dated December 5, 2022 proposed that developers be required to pay for the cost of Right to Return services as part of the development application process based on the imposition of a new fee. A cost study of the new SB 8 fee is being conducted by LAHD and is currently pending (C.F. No. 22-1516).

SERVICES TO BE PROVIDED BY THE CONTRACTOR

The Contractor shall continue to provide contractual services which are supported by the work task schedule identified in Section 202 of the Agreement, which includes SB 8 tenant relocation services.

The relocation services provided are funded entirely by fees paid by property owners who elect to evict tenants for permissible no-fault reasons. Households with minor dependent children, disabled persons or seniors residing in the household are determined to be “Qualified” households. As of July 2023, the Contractor will receive a fee not to exceed \$902 for each Qualified household. Households who do not meet the Qualified criteria are determined to be “Eligible” households. The Contractor will receive a fee not to exceed \$561 for each Eligible household assisted. The fees are set in accordance with LAMC 151.09.G.1.d and 151.06.D. The total compensation will depend on the number and types of households evicted by landlords during the course of this contract.

The SB 8 tenant relocation services will continue to be supported by the \$200,000 approved within the Foreclosure Registry Trust Fund, Fund No. 56V/43, Appropriation Account No. 43WC71- SB330/Relocation and Right to Return Services under C.F. No. 22-1516.

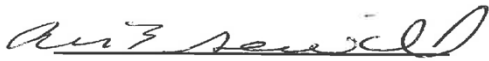
CONCLUSION

Through this report, LAHD is requesting authorization to extend the contract term for twelve months to prevent a lapse in service mandated by the LAMC. Not extending the contract term will result in a gap of essential relocation assistance services to displaced tenants as required by LAMC Sections 46.06, 46.07, 151.09.G, 165.06.A., and to SB 8 services for tenants. In addition, extension of the contract term will allow sufficient time for the completion of the SB 8 fee study and the release of a new RFP, including time to evaluate responses to the RFP and award a contract.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund through the recommendations in this report. Additional funding to support the tenant relocation assistance services contract was included in the Fiscal Year 2023-2024 adopted Budget, Rent Stabilization Trust Fund No. 440. The SB 8 tenant relocation services are supported by the Foreclosure Registry Trust Fund.

Approved By:



ANN SEWILL
General Manager
Los Angeles Housing Department

ATTACHMENT:

Attachment 1 - Interwest_C-138119-2_Draft

SECOND AMENDMENT
TO AGREEMENT NUMBER C-138119 OF CITY OF LOS ANGELES CONTRACT
BETWEEN
THE CITY OF LOS ANGELES
AND
INTERWEST CONSULTING GROUP, INC.

THIS SECOND AMENDMENT to Agreement Number C-138119 of the City of Los Angeles Contract is made and entered into by and between the City of Los Angeles (“City”), a municipal corporation, and Interwest Consulting Group Inc., a Colorado corporation.

WITNESSETH

WHEREAS, the City and the Contractor have entered into an agreement wherein Contractor shall provide certain services, said agreement effective March 31, 2021, which together with all amendments thereto shall hereinafter be referred to as the Agreement; and

WHEREAS, Section 405 of the Agreement provides for amendments to the Agreement; and

WHEREAS, on May 26, 2023, the City and Contractor entered into the First Amendment to a) add additional funds in the amount of Two Hundred Thousand Dollars (\$200,000) for a new total of Four Million Seven Hundred Thousand Dollars (\$4,700,000) and b) amend the scope of work; and

WHEREAS, the City and the Contractor are desirous of further amending the Agreement as authorized by the City Council and the Mayor (Council File Number ##-#### adopted by City Council on XXXXXXXX ##, 202#, and concurred by the Mayor on XXXXXXXX ##, 202#), which authorizes the General Manager of the City’s Los Angeles Housing Department (“LAHD”) to prepare and execute an amendment to the Agreement for the purpose of: (a) adding additional funds in the amount of **Three Million Dollars (\$3,000,000)** for a new total of **Seven Million Seven Hundred Thousand Dollars (\$7,700,000)**; (b) extending the term of the Agreement by twelve (12) months through **November 30, 2024**; and (c) making such other changes as are required in connection with the foregoing, all as detailed elsewhere in this Amendment; and

WHEREAS, this Amendment is necessary and proper to continue and/or complete certain activities authorized under the Agreement.

NOW, THEREFORE, the City and the Contractor agree that the Agreement be amended as follows:

[Remainder of page intentionally left blank.]

SECOND AMENDMENT

- §1. Amend Section 201, “Time of Performance,” by deleting the current ending date of “November 30, 2023” and replacing it with a new ending date of “November 30, 2024.”

This amendment adds an additional twelve (12) months for a total term of forty-eight (48) months.

- §2. Amend Section 301.A, “Compensation and Method of Payment,” by deleting the current total dollar amount of Four Million Seven Hundred Thousand Dollars (\$4,700,000) and replacing it with the new total dollar amount of **Seven Million Seven Hundred Thousand Dollars (\$7,700,000)**.

This amendment adds an additional **Three Million Dollars (\$3,000,000)**.

- §3. Except as herein amended, all terms and conditions of the Agreement shall remain in full force and effect.

- §4. This Amendment is executed in three (3) duplicate originals, each of which is deemed to be an original. This Amendment includes three (3) pages which constitute the entire understanding and agreement of the parties. Alternatively, this Amendment may be executed with electronic signatures, resulting in an electronic final original, which shall be uploaded to the LACityClerk Connect website.

[Remainder of page intentionally left blank.]

[Signatures begin on next page.]

IN WITNESS WHEREOF, the City of Los Angeles and the Contractor have caused this Second Amendment to be executed by their duly authorized representatives.

APPROVED AS TO FORM:
HYDEE FELDSTEIN SOTO, City Attorney

Executed this ____ day of _____ 2023

By _____
Deputy/Assistant City Attorney

For: CITY OF LOS ANGELES

ANN SEWILL
General Manager
Los Angeles Housing Department

Date _____

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By _____
Luz C. Santiago
Assistant General Manager

By _____
Deputy City Clerk

Executed this ____ day of _____ 2023

Date _____

For: INTERWEST CONSULTING
GROUP, INC.

(Contractor's Corporate Seal or Notary)

By _____
(1st Signatory Full Name)
(1st Signatory Title)

City Business License Number: 0003152024-0001-0
Internal Revenue Service ID Number: 73-1630909
Council File/CAO File Number: ##-####; Date of Approval: ##/##/####
Said Agreement is Number C-138119 of City Contracts, Amendment 2