



Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: MAY 2, 2013**

**FROM: MEDIA RELATIONS**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF TERMINATION OF AGREEMENT NO. 12-3067 WITH CREATIVE CAPITAL, INC. AND APPROVAL OF FIRST AMENDMENTS TO AGREEMENT NO. 12-3069 WITH DDK COMMUNICATIONS; AGREEMENT NO. 12-7331 WITH MAKE OVER EARTH; AND AGREEMENT NO. 12-3070 WITH NATALIE SHORE-PETERSON FOR AS-NEEDED WRITING PROFESSIONAL SERVICES**

**SUMMARY:**

The City of Los Angeles Harbor Department (Harbor Department) is proposing to terminate Agreement No. 12-3067 with Creative Capital, Inc., Irvine, California, due to consultant resignation, and approve the first amendments of the remaining three as-needed writing professional services agreements – DDK Communications, Los Alamitos, California; Make Over Earth, Burbank, California; Natalie Shore-Peterson, Long Beach, California. The four writing firms were approved by the Board of Harbor Commissioners (Board) in June 2012 for three-year agreements each. These consultants currently provide as-needed writing professional services in support of the Harbor Department's shipping industry, business development, environmental, tourism, media and public outreach programs. The proposed amendments would establish a pool of funds for the three remaining firms for the two-year balance of their three year terms. As writing assignments are required, the Executive Director or a designee will continue to approve each assignment on a per project basis contingent upon available funding. In June 2012 the total funding authority approved for the four firms was a combined \$600,000 or \$315,000 for Creative Capital, \$135,000 for Make Over Earth, and \$75,000 each for DDK Communications and Natalie Shore Peterson. The total amount to be spent over the next two years (\$400,000 or \$200,000 each fiscal year) approved in June 2012 remains unchanged.

The consultant pool of funds allows for more flexibility to use budgeted funds with any of the three approved consulting firms based on the firm's availability and expertise. Other Harbor Department divisions, the Office of the Controller and Los Angeles World Airports (LAWA) use consultant pools. Due to the resignation of Creative Capital, Inc., staff is recommending the Board terminate Agreement No. 12-3067 with Creative Capital, Inc., and approve the first amendments of the remaining three as-needed writing professional services agreements to establish a consultant pool of funds.

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**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Terminate Agreement No. 12-3067 with Creative Capital, Inc., with an effective termination date of February 1, 2013;
2. Approve the First Amendment to Agreement No. 12-3069 between the Harbor Department and DDK Communications to establish a consultant pool of funds, with an effective date of February 1, 2013;
3. Approve the First Amendment to Agreement No. 12-7331 between the Harbor Department and Make Over Earth to establish a consultant pool of funds, with an effective date of February 1, 2013;
4. Approve the First Amendment to Agreement No. 12-3070 with Natalie Shore-Peterson to establish a consultant pool of funds, with an effective date of February 1, 2013;
5. Ratify the amendment commencement date of February 1, 2013 and expenses incurred from February 1, 2013 until the date of execution by the Harbor Department;
6. Authorize the Executive Director to execute and the Board Secretary to attest to the Amendments; and
7. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background and Context – On March 6, 2012, the Professional Writer and Editor Request for Proposals (RFP) was released and posted on the Port of Los Angeles website and Los Angeles Business Assistance Virtual Network (LABAVN). By the March 27, 2012 deadline, 14 proposals were received. Of those 14 proposals, four proposals – Creative Capital, Inc., DDK Communications, Make Over Earth, and Natalie Shore Peterson – were selected through the RFP process. On June 7, 2012, the Board approved Agreement No. 12-3067 with Creative Capital, Inc.; Agreement No. 12-3069 with DDK Communications; Agreement No. 12-7331 with Make Over Earth; and Agreement No. 12-3070 with Natalie Shore-Peterson. The aggregate amount of these four agreements total not-to-exceed \$200,000 per year for three-year terms each. To date, of that amount, \$104,066 has been expended this first agreement year.

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The as-needed writing firms assist Public and Media Relations staff in producing a variety of materials including video production and scripting; print and broadcast advertising materials, presentations and speeches; and news releases and articles for the Harbor Department's web properties and news bureau. When outside writing services are needed in addition to the work done by Port staff, the Director of Media Relations evaluates the need, identifies and contacts the contractor with the appropriate expertise, confirms that the contractor is available to complete the work in the necessary time frame, and requests a cost estimate for approval.

In January 2013, Creative Capital, Inc. informed Harbor Department staff that they would no longer be able to provide services because the consultant took a full-time position. As a result, staff is recommending termination of Agreement No. 12-3067 with Creative Capital, Inc.

It was determined that establishing a consultant pool of funds for the remaining three as-needed writers - instead of relying on individual agreements with set not-to-exceed amounts - would provide the maximum amount of flexibility to use budgeted funds based on the expertise and availability of the writing firms.

The proposed first amendments to Agreement No. 12-3069 with DDK Communications (Transmittal 1); Agreement No. 12-7331 with Make Over Earth (Transmittal 2); and Agreement No. 12-3070 with Natalie Shore-Peterson (Transmittal 3) modify the compensation sections to combine the not-to-exceed amounts of the prior four agreements into a single funding pool. The proposed amendments would keep the \$200,000 per year writing services total approved in June 2012 unchanged, but would put it into a single funding pool, rather than having a set agreement amount for each contractor.

The Harbor Department does not guarantee any writing assignments to any of the as-needed writing firms under these amended agreements. Work assignments delegated to the pool of as-needed writing firms would be initiated, controlled and paid by assignment orders issued by the Executive Director or her designee. Assignment orders, along with the conditions of the existing agreements, would define the scope of work, maximum cost, schedule, terms of payment, deliverables and other pertinent task details. As-needed writers would only be compensated for work completed.

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When Agreement No. 12-3069, Agreement No. 12-7331, and Agreement No. 12-3070 were approved by the Board on June 7, 2012, the Board found that in accordance with Charter Section 1022, the work proposed to be contracted could be more feasibly performed by a contractor than by a city employee. Since this proposed amendment does not add a new labor component or significantly increase an existing labor component and the original 1022 determination elements are still accurate, a new 1022 determination is not required.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of the termination of an agreement with Creative Capital, Inc. and the approval of amendments to agreements with DDK Communications, Make Over Earth, and Natalie Shore-Peterson to establish a pool of funds for the three remaining firms for as-needed writing professional services. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2 (f) of the Los Angeles City CEQA Guidelines.

**ECONOMIC BENEFITS:**

Approval of the proposed Amendment will support 5 one-year equivalent direct jobs for the five-county region.

**FINANCIAL IMPACT:**

In June 2012, the Board approved Agreement No. 12-3067 with Creative Capital, Inc.; Agreement No. 12-3069 with DDK Communications; Agreement No. 12-7331 with Make Over Earth; and Agreement No. 12-3070 with Natalie Shore-Peterson for as-needed writing services. The aggregate total of these agreements is \$200,000 per year for three-year terms each, or \$600,000 over three years. To date, of that amount, \$104,066 of \$200,000 authorized has been expended this first agreement year.

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| Contractor                | FY 12/13<br>Authorized/<br>Expended      | FY 13/14  | FY 14/15  |
|---------------------------|--|-----------|-----------|
| Creative Capital          | \$105,000/\$42,125                       | \$0       | \$0       |
| DDK<br>Communications     | \$25,000/\$24,814                        | \$0       | \$0       |
| Make Over Earth           | \$45,000/ \$15,627                       | \$0       | \$0       |
| Natalie Shore<br>Peterson | \$25,000/\$21,500                        | \$0       | \$0       |
| Pool                      | \$95,933 (remaining<br>unexpended funds) | \$200,000 | \$200,000 |

The financial impact of the proposed amendments are neutral in that the total aggregate amount of the agreements would remain not-to-exceed \$200,000 per year for the remaining two year terms. The amendments would consolidate the funds for the three as-needed writing professional services agreements into a single pool of funding for the remaining two contract terms.

Consolidation of the funds for writing professional services would benefit the Harbor Department by allowing maximum flexibility to determine the appropriate consultant for each writing assignment based on expertise and availability.

Funds are available in Account 54290, Center 0250, and Program 000 for this fiscal year. Under the current agreements, \$200,000 will be requested to be allocated in each future fiscal year for the remaining two terms. If future fiscal year funds are not appropriated by the Board for the work in any subsequent fiscal year as required by the agreements, the agreements shall be terminated.

**CITY ATTORNEY:**

The City Attorney's Office has prepared the necessary agreement and approved them as to form and legality.

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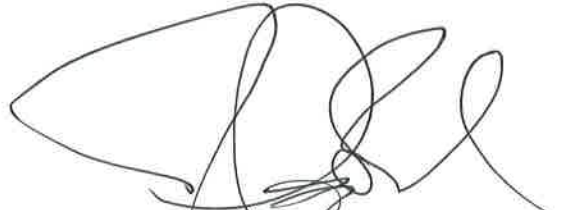
**TRANSMITTALS:**

1. First Amendment to the Agreement with DDK Communications
2. First Amendment to the Agreement with Make Over Earth
3. First Amendment to the Agreement with Natalie Shore-Peterson

FIS Approval:  (initials)  
CA Approval:  (initials)



PHILLIP SANFIELD, Director  
Media Relations



ARLEY BAKER, Sr. Director  
Communications



CYNTHIA RUIZ,  
Deputy Executive Director, External Relations

APPROVED:



GERALDINE KNATZ, Ph.D.  
Executive Director