

HARBOR DIVISION

425 S. PALOS VERDES ST.

P.O. BOX 151

SAN PEDRO, CA 90733-0151

FACSIMILE

(310) 831-9778

(310) 732-3750



OFFICE OF THE CITY ATTORNEY

MICHAEL N. FEUER
CITY ATTORNEY

JANNA B. SIDLEY
GENERAL COUNSEL

JOY M. CROSE
ASSISTANT GENERAL COUNSEL

CHRISTOPHER B. BOBO
ESTELLE M. BRAAF
JOHN T. DRISCOLL
JUSTIN HOUTERMAN
JANET KARKANEN
KENNETH F. MATTFELD
HEATHER M. MCCLOSKEY
ESTHER S. OLSEN
STEVEN Y. OTERA
MINAH PARK
HELEN J. SOK

DATE: NOVEMBER 12, 2015

FROM: OFFICE OF THE CITY ATTORNEY

SUBJECT: RESOLUTION NO. _____ - APPROVE FIRST AMENDMENTS TO AGREEMENT E-6773 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND DIGISTREAM INVESTIGATIONS AND AGREEMENT E-6774 BETWEEN THE CITY OF LOS ANGELES AND G4S INVESTIGATIONS

SUMMARY:

The Office of the City Attorney requests the Board of Harbor Commissioners (Board) to approve two First Amendments (Amendments) to Executive Director Agreement No. E-6773 with DigiStream Investigations (DigiStream) and Agreement No. E-6774 with G4S Investigations (G4S). The First Amendment for Agreement No. E-6773 with DigiStream extends the term of the agreement by one year and increases the appropriation by \$30,000. The First Amendment for Agreement No. E-6774 with G4S Investigations extends the term by one year. The term extensions and additional funding for DigiStream is necessary due to multiple lengthy ongoing Workers' Compensation investigations. The City of Los Angeles Harbor Department (Harbor Department) is financially responsible for payment of expenses under the proposed Amendments.

DATE: NOVEMBER 12, 2015

PAGE 2 OF 5

SUBJECT: FIRST AMENDMENTS TO AGREEMENT E-6773 WITH DIGISTREAM INVESTIGATIONS AND AGREEMENT E-6774 WITH G4S INVESTIGATIONS

RECOMMENDATION:

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

1. Find that the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f), of the Los Angeles City CEQA Guidelines;
2. Approve the First Amendment to Agreement No. E-6773 with DigiStream Investigations, extending the one-year term to a total of two years and increasing the appropriation to an amount not-to-exceed \$60,000;
3. Approve the First Amendment to Agreement No. E-6774 with G4S Investigations, extending the one-year term to a total of two years;
4. Authorize the Executive Director to execute and the Board Secretary to attest to the First Amendment to Agreement E-6773 and the First Amendment to Agreement No. E-6774; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background and Context - DigiStream Investigations was retained under Executive Director Agreement No. E-6773 and G4S Investigations was retained under Executive Director Agreement No. E-6774. The term of these agreements commenced February 27, 2015 and will terminate on February 26, 2016. Both firms provide investigation services for the Harbor Department's Workers' Compensation claims. At the present time there are ten open investigations and these are divided evenly between the two firms. Five additional claims are in the referral process for investigation making the number of open investigations fifteen prior to the end of the initial agreement term. Extension of both agreements is necessary to complete ongoing assignments related to fifteen claims (ten existing investigations and five pending investigations).

The initial appropriation for Agreement No. E-6773 with DigiStream was \$30,000. A total of \$19,231 has been spent through September 30, 2015. The remaining authority (\$10,769) will be spent by December 30, 2015. An additional \$30,000 is requested to increase the agreement authority from \$30,000 to \$60,000. The new authority and

DATE: NOVEMBER 12, 2015

PAGE 3 OF 5

SUBJECT: FIRST AMENDMENTS TO AGREEMENT E-6773 WITH DIGISTREAM INVESTIGATIONS AND AGREEMENT E-6774 WITH G4S INVESTIGATIONS

extended term will ensure that all work on the current and pending claims will be completed.

The initial appropriation for Agreement No. E-6774 with G4S Investigations was \$60,000. A total of \$17,184 has been billed through September 30, 2015. The remaining balance (\$42,816) and extended term will be adequate to cover the anticipated expenses related to the open and pending investigations.

Selection Process - The Office of the City Attorney working together with Contracts and Purchasing conducted a competitive Request for Proposals (RFP) selection process in November 2014. The RFP for investigation services was posted on November 25, 2014 on the Port of Los Angeles website and on the City of Los Angeles Business Assistance Virtual Network (LABAVN). Under the scope of work investigation firms were able to propose both Arising Out of Employment and Course of Employment Workers' Compensation investigations, surveillance where necessary to include activity checks and sub-rosa and specialized services including social media investigations, locating, serving and interviewing witnesses, researching prior injuries and medical histories and conducting detailed recorded interviews.

The Harbor Department received proposals from 13 firms. The proposals were evaluated by a three member review committee (Committee) consisting of the Director of Construction and Maintenance, an Industrial Hygienist from Risk Management, and a Deputy City Attorney from the Office of the City Attorney. Based upon the scores the Committee selected two firms (DigiStream and G4S) for agreements with the Harbor Department.

Proposed Amendment - Extending the term of Agreement E-6773 and increasing the appropriation will keep DigiStream retained to complete ongoing requested services. Extending the term of Agreement E-6774 will keep G4S Investigations retained to complete ongoing requested services.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of amendments to agreements with DigiStream and G4S to increase the term and appropriation for DigiStream and the term for G4S for investigative services for Harbor Department Workers' Compensation claims. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

DATE: NOVEMBER 12, 2015

PAGE 4 OF 5

SUBJECT: FIRST AMENDMENTS TO AGREEMENT E-6773 WITH DIGISTREAM INVESTIGATIONS AND AGREEMENT E-6774 WITH G4S INVESTIGATIONS

FINANCIAL IMPACT:

Funding for the Amendments has been budgeted in the amount of \$70,000 in the Fiscal Year (FY) 2015/2016 Operating Budget, within the Harbor Department City Attorney's Office Account No. 54410, Division No. 0120 and Program No. 000. Funding for future fiscal years if necessary, will be requested to be budgeted as part of the annual budget adoption process, upon Board approval. A funding out clause was included in the original agreements. The schedule of compensation broken down by fiscal year is as follows:

FY 14/15: February 27, 2015 to June 30, 2015 = \$11,657

FY 15/16: July 1, 2015 to June 30, 2016 = \$70,000

FY 16/17: July 1, 2016 to February 26, 2017 = \$38,343

Firm	FY 14/15	FY15/16	FY16/17	TOTAL
DigiStream Investigations	\$3,064	\$30,000	\$26,936	\$60,000
G4S Investigations	\$8,593	\$40,000	\$11,407	\$60,000
Total Amount	\$11,657	\$70,000	\$38,343	\$120,000

DATE: NOVEMBER 12, 2015

PAGE 5 OF 5

SUBJECT: FIRST AMENDMENTS TO AGREEMENT E-6773 WITH DIGISTREAM INVESTIGATIONS AND AGREEMENT E-6774 WITH G4S INVESTIGATIONS

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed First Amendments as to form and legality.

TRANSMITTALS:

1. First Amendment to Agreement E-6773 extending its term from one to two years and increasing appropriation from \$30,000 to \$60,000.
2. First Amendment to Agreement E-6774 extending its term from one to two years.

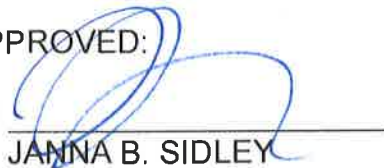
FIS Approval: MB (initials)
CA Approval: [Signature] (initials)



ESTHER S. OLSEN
Deputy City Attorney

APPROVED:

By



JANNA B. SIDLEY
General Counsel, Harbor Department

APPROVED:

By



EUGENE D. SEROKA
Executive Director