

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: JANUARY 31, 2017

FROM: OFFICE OF THE CITY ATTORNEY

SUBJECT: RESOLUTION NO. _____ - APPROVE SECOND 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 HARBOR DEPARTMENT AND G4S COMPLIANCE AND INVESTIGATIONS

SUMMARY:

The Office of the City Attorney requests the Board of Harbor Commissioners (Board) to approve two Second Amendments (Amendments) to Executive Director Agreement No. E-6773 with DigiStream Investigations (DigiStream) and Agreement No. E-6774 with G4S Compliance and Investigations (G4S). The Amendments for both Agreements (No. E-6773 and No.E-6774) extends the term of the Agreements by one year. The term extensions are 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.

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

DATE: JANUARY 31, 2017

PAGE 2 OF 5

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

Quality Act (CEQA) under Article II, Section 2(f), of the Los Angeles City CEQA Guidelines;

2. Approve the Second Amendment to Agreement No. E-6773 with DigiStream Investigations, extending the two-year term to a total of three years with no additional compensation;
3. Approve the Second Amendment to Agreement No. E-6774 with G4S Investigations, extending the two-year term to a total of three years with no additional compensation;
4. Authorize the Executive Director to execute and the Board Secretary to attest to the Second Amendment to Agreement E-6773 and the Second 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, 2017. Both firms provide investigation services for the Harbor Department's Workers' Compensation claims. During the past fiscal year there were seventeen open investigations. A total of eight investigations have been closed. At the present time there are nine open investigations and these are divided evenly between the two firms. Two additional claims are in the referral process for investigation making the number of open investigations eleven prior to the end of the agreement term. Term extensions for both agreements are necessary to complete ongoing assignments related to eleven claims.

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,

DATE: JANUARY 31, 2017

PAGE 3 OF 5

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

servicing 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.

First Amendment- The First Amendment for Agreement No. E-6773 with DigiStream extended the term of the agreement by one year and increased the appropriation by \$30,000. The First Amendment for Agreement No. E-6774 with G4S Investigations extended the term by one year. The term extensions and additional funding for DigiStream was necessary due to multiple lengthy ongoing Workers' Compensation investigations.

Proposed Second Amendment - Extending the term of Agreement E-6773 and Agreement E-6774 will keep DigiStream and G4S retained to complete ongoing requested services. The total appropriation for Agreement No. E-6773 with DigiStream is \$60,000. A total of \$28,776 has been spent through December 31, 2016. The remaining authority (\$31,224) and extended term will be adequate to ensure that all work on the current and pending claims will be completed. The total appropriation for Agreement No. E-6774 with G4S Investigations is \$60,000. A total of \$24,042 has been billed through December 31, 2016. The remaining balance (\$35,958) and extended term will be adequate to cover the anticipated expenses related to the open and pending investigations. No additional compensation is requested for the Second Amendments.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of amendments to agreements with DigiStream and G4S to increase the term 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: JANUARY 31, 2017

PAGE 4 OF 5

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

FINANCIAL IMPACT:

Funding for the Amendments has been budgeted in the amount of \$70,000 in the Fiscal Year (FY) 2016/2017 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 = \$11,374

FY 15/16: July 1, 2015 to June 30, 2016 = \$38,718

FY 16/17: July 1, 2016 to June 30, 2017 = \$39,000

FY 17/18: July 1, 2017 to February 26, 2018= \$30,908

Firm	FY 14/15	FY15/16	FY16/17	FY17/18	TOTAL
DigiStream Investigations	\$3,064	\$25,118	\$14,000	\$17,818	\$60,000
G4S Investigations	\$8,310	\$13,600	\$25,000	\$13,090	\$60,000
Total Amount	\$11,374	\$38,718	\$39,000	\$30,908	\$120,000

DATE: JANUARY 31, 2017

PAGE 5 OF 5

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

CITY ATTORNEY:

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

TRANSMITTALS:

1. Second Amendment to Agreement E-6773 extending its term from two to three years.
2. Second Amendment to Agreement E-6774 extending its term from two to three years.

FIS Approval: MB (initials)

CA Approval: [Signature] (initials)



ESTHER S. OLSEN
Deputy City Attorney

APPROVED:

By [Signature]
JANNA B. SIDLEY
General Counsel, Harbor Department

APPROVED:

By Mark Blewitt
EUGENE D. SEROKA
Executive Director