



Board Agenda Item 60

DATE: August 6, 2019

TO: Board of Supervisors

SUBMITTED BY: Delfino E. Neira, Director, Department of Social Services
Robert W. Bash, Director of Internal Services/Chief Information Officer

SUBJECT: Retroactive Sublease Agreement for Office Space at Manchester Center One-Stop

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute a retroactive Sublease Agreement with Omninet Properties Manchester Center, LLC, and Fresno Area Workforce Investment Corporation for approximately 6.71% of office space at 3302 N. Blackstone Avenue, Fresno, CA for use by the Department of Social Services, effective January 1, 2018, not to exceed three (3) years and eight (8) months, total not to exceed \$110,184.

Approval of the recommended action will allow the Department to enter into a sublease with the Fresno Area Workforce Investment Corporation (FAWIC) and to pay rents and operating expenses owed under the Phase II Resource Sharing Agreement, adopted by this Board on October 17, 2017. The rent for the first eight (8) month term of the recommended Agreement will be \$2,397 per month, with an increase of three (3) cents per square foot for each following year. In addition, the Department will pay 6.71% of operating expenses. This pertains to a location in District 2.

ALTERNATIVE ACTION(S):

There are no viable alternative actions. Failure to approve the sublease agreement would prevent the FAWIC from recovering funds owed by the Department of Social Services.

RETROACTIVE AGREEMENT:

The recommended Agreement is retroactive to January 1, 2018 because the request for this Agreement was not made by FAWIC to the Department until February 20, 2018. Additionally, the Department's share of the office's square footage was not provided until July 17, 2018 and the non-standard contract language required by Omninet and FAWIC had to be negotiated and approved by both parties. Due to the nature of the requested changes by all parties, these negotiations were not concluded until May 31, 2019.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The maximum amount of the recommended Agreement for the period of January 1, 2018 through August 31, 2021 is \$110,184. The cost for the Agreement will be offset with State and Federal Social Services funds (\$94,761), 2011 Realignment (\$10,018) in lieu of State General Funds for Child Welfare Services and Adult Protective Services Programs that were realigned to counties through Assembly Bill (AB) 118, 1991 Social Services Realignment (\$4,825) and \$580 Net County Cost to fund the General Relief's share of cost. Sufficient appropriations and estimated revenues will be included in the FY 2019/20 Recommended Budget for the

Department of Social Services Org 5610 and will be included in subsequent budgets.

DISCUSSION:

The One-Stop system is a network of centralized locations, which house multiple partner agencies, and offer adults and dislocated workers education, training and employment services, as well as referrals. On June 26, 2017, your Board approved the Workforce Innovation and Opportunity Act (WIOA) Mandated Partner Memorandum of Understanding, which detailed the operation of the One-Stop system. Subsequent to this MOU, your Board entered into the Phase II Resource Sharing Agreement with FAWIC on October 17, 2017, due to the WIOA MOU requirement that the Department share a proportionate cost, approximately 6.71%, of the Manchester Center One-Stop.

The FAWIC signed a master lease with Omninet Properties Manchester Center (Omninet), which requires a consent to sublease agreement and sublease agreement with the Department before any costs can be recovered. Omninet required the approval by your Board of the consent to sublease agreement be approved by your Board on a separate Agenda Item, which is on the consent agenda for today.

The recommended Agreement is in the form required by Omninet and FAWIC, and therefore is not in the standard County model contract format. The recommended Agreement provides that FAWIC's entire liability related to or in connection with the provision of rent under the Agreement may not exceed the actual amount received by Workforce Connection for rental space provided under the Agreement. The recommended Agreement uses non-standard mutual indemnification and defense language. The recommended Agreement allows for a combination of insurance and or self-retention insurance for both parties. However, the Department of Social Services believes that the benefits of the recommended Agreement outweigh the risks, and recommends approval of this Agreement by your Board as a prudent business decision.

The rent for the first eight (8) month term will be \$2,397 per month, with an increase of three (3) cents per square foot for each following year. In addition, the Department will pay 6.71% of operating expenses. The Department can terminate the lease for any reason by providing sixty (60) days written notice. The Agreement provides that the termination notice may be issued by the County Administrative Officer, the Director of Internal Services, or one of their designees.

REFERENCE MATERIAL:

BAI #37, October 17, 2017
BAI #37, September 26, 2017
BAI #23, June 21, 2016

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement

CAO ANALYST:

Ronald Alexander