



County of Fresno

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2281 Tulare Street
Fresno, California
93721-2198

Legislation Text

File #: 18-0803, **Version:** 1

DATE: August 7, 2018

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: Lease Agreement with E Street Fresno, LLC for Office Space at 1209 E St., Fresno, CA

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute a Lease Agreement with E Street Fresno, LLC for 10,500 square feet of office space at 1209 E St., Fresno, CA for use by the Department of Social Services, effective November 19, 2018, not to exceed two consecutive years, which includes a one-year base contract and one optional one-year extension, total not to exceed \$263,453.

Approval of the recommended action will allow the Department to continue to provide services for the General Relief, Food Stamp, and Medi-Cal programs located at the E St. facility, as the current agreement expires on November 18, 2018. The agreement maximum for the first year is \$129,780, with no increase in Net County Cost. This item pertains to a location in District 3.

ALTERNATIVE ACTION(S):

There are no viable alternative actions. There are no other properties that meet all the requirements of the Department and match what is currently offered at the E St. facility at the same or lower cost.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The total maximum compensation of the recommended agreement is \$263,453. The costs for the lease agreement will be offset with State and Federal Social Services funds (\$227,066), 2011 Realignment (\$23,008) 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 (\$11,131) and \$2,248 Net County Cost to fund the General Relief's share of cost. In addition, janitorial services will be paid at commercially reasonable actual cost. Sufficient appropriations will be included in the FY 2018-19 Recommended Budget for the Department of Social Services, Org 5610, and will be included in subsequent budgets.

DISCUSSION:

The Department of Social Services has leased the facility at 1209 E St., Fresno, CA, since 2008 for the General Relief, Food Stamp, and Medi-Cal programs, which primarily serve homeless clients, with 59 staff members at the location. The facility provides 10,500 square feet of office space and shared parking. The recommended action will allow continued occupation of the leased space for one (1) year with an option to extend the lease for one (1) additional year.

The rent for the first year will be \$10,815 per month with a three percent (3%) increase if the Department

exercises the one-year extension. In addition to the rent, a common area maintenance fee will be paid at actual cost, estimated at \$20,028 for the first year, and \$11,574 for the one-year extension.

Section 13 of the agreement contains the insurance coverage and language currently approved for use in the County's model contract. Risk Management has recently proposed that the insurance coverage and language in the County's model contract be revised. County Counsel and Risk Management will be working on these changes over the next several months. However, the Department has a need to move forward with this contract to address service needs. Additionally, the Department believes the insurance coverage required in Section 13 of the agreement adequately protects the interests of the County in this contract and County Counsel is comfortable signing the agreement as to legal form. Therefore, it is recommended your Board approve the recommended agreement in its current form.

The Department can terminate the lease after one (1) year by providing 120 days written notice, prior to the end of the current term. The Agreement provides that the termination notice can be provided by the County Administrative Officer, the Director of Internal Services, or one of their designees. In addition, the County may terminate the lease with thirty (30) days written notice if the property owner fails to maintain the premises according to the terms of the Lease agreement.

REFERENCE MATERIAL:

BAI #53, August 20, 2013
BAI #71, December 18, 2007

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement

CAO ANALYST:

Ronald Alexander