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Carried Over 10



OCTOBER 25, 1996

Los Angeles County
Metropolitan
Transportation
Authority

TO: BOARD OF DIRECTORS
FROM: JOSEPH E. DREW, CHIEF EXECUTIVE OFFICER
SUBJECT: APPROVAL OF SUBLEASE CONTRACT FOR NEW CASH COUNTING FACILITY - LOCATED AT 1021 FIGUEROA ST., LOS ANGELES

One Gateway Plaza
Los Angeles, CA
90012

RECOMMENDATIONS

213.922.6000

A. Authorize a sublease agreement with Wells Fargo Bank as sublessor (land and building), and Sol and Irene Hess as Master Lessor (ground lease only), to sublease a Cash Counting Facility for a term of 12 years and five months, commencing December 1, 1996 and ending April 30, 2009, at an annual lease amount of approximately \$116,000.

Mailing Address:

B. Authorize budget adjustments to increase total MTA grant monies by \$216,000 and total MTA expenditures by \$216,000, for no net impact.

P.O. Box 194

C. Authorize a non-competitive contract with Western Vault Security, Inc., for the refurbishment and installation of security equipment at the proposed new Cash Counting Facility, or the current facility, in an amount not to exceed \$216,000.

Los Angeles, CA 90053

ORGANIZATIONAL IMPACT

Moving the cash counting operations to a larger, better designed facility is critical to improving the management and control of cash processing operations. The increased space allows Revenue Department to improve its cash counting and token processing operations, while providing superior security features not available in their current location. This new facility, designed specifically as a cash processing operation, will allow the Revenue Department to implement the internal controls recommended in the audits from the Office of the Inspector General (IG) and the Agency's Internal Audit Department.

BUDGET IMPACT

Net budget impact for FY97 is \$0. Moving, Lease and Operations & Maintenance costs for FY97 will be \$131,500 and will be funded from savings in the Revenue Department's currency processing budget. One time expenses for site security installation and improvements are \$316,000 and will be funded from Grant #CA 90-x329 (\$216,000), and Grant #CA 90-x714 (\$100,000). The MTA Budget Office and the Capital Planning Department have verified that current year funds are available as described.

The only tenant improvements required are minor facility improvements, the reinstallation of the security system (cameras/alarms/guard console/etc.), replacement of an exterior fence, and connection of the facility to MTA's communications network. The facility has been inspected by MTA Transit Police, Internal Audit, and Inspector General personnel and they all concur that it meets the needs for an improved Cash Counting Facility.

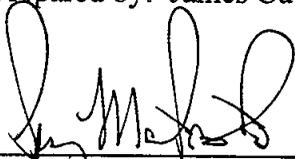
Due to the sensitive nature and unique security requirements of this facility, MTA Transit Police, Internal Audit and Inspector General recommend that all security work done on the facility be done by in-house staff or contracted out on a non-competitive basis, to limit the knowledge and exposure of the details of the facility to the smallest population of outside contractors as possible.

MTA Facilities Engineering has recommended that we use an outside contractor to accomplish this work, as they (MTA) do not have the level of expertise in security installations that we are looking for. Western Vault Security is Wells Fargo Bank's primary contractor for all physical security issues, and they designed and installed all of the subject building's security systems (alarms, access, cameras, guard console, and intercom/paging system). They already have all of the building drawings, blueprints, "as-built" specifications, etc.. By awarding a non-competitive contract with Western Vault Security, we would greatly limit our security exposure. See details at Attachment 3.

ATTACHMENTS

Attachment 1: Sublease Summary
Attachment 2: MTA Property Analysis
Attachment 3: Western Vault Security

Prepared by: James Cudlip, Assistant Director of Revenue



Terry Matsumoto
Executive Officer, Finance

ATTACHMENT 2

MTA PROPERTY ANALYSIS

The following parcels of LACMTA owned land, in the central Los Angeles area, met the basic requirements in terms of size, location, freeway access and security in consideration of building a Cash Counting Facility (CCF).

1. Paved lot, N/E corner of Cesar Chavez Ave. & Vignes St.

- Directly across from Gateway Plaza Bldg, adjacent to the new Los Angeles Jail facility and the MTA Regional Rebuild Center.
- Site is 3.25 acres (141,570/sq.ft.).
- Currently used by MTA as a bus parking and layover site, servicing Gateway Plaza (9 lines, 524 weekday trips). Additional usage by LADOT, OCTA, Santa Clarita, and staging zone for special event buses.
- Planned/proposed future usage by MTA Bus Operations for alternative fuel bus refueling.

2. Dirt lot, East side of Keller St. between Cesar Chavez Ave. & Santa Ana Freeway.

- Between Piper Tech complex and the Los Angeles River.
- Site is 2 acres (81,120/sq.ft.).
- Currently leased by the City of Los Angeles for use as a vehicle impound and storage/parking area.
- Site is contaminated and is currently scheduled to be remediated by Santa Fe Railroad. No construction can take place on the site until the remediation is completed.

3. Dirt lot, N/E corner of Temple St. & Beaudry St.

- One block North of the Harbor Freeway, adjacent to the southbound side of the Hollywood Freeway.
- Site is 1.41 acres (57,200/sq.ft.).
- Site was purchased with Federal funds for future downtown bus layover facility and would require FTA approval to convert to use as a Cash Counting Facility. Not considered a major problem.