

APPROVED
JAN 11 2012

REPORT OF GENERAL MANAGER

NO. 12-001

DATE January 11, 2012

BOARD OF RECREATION
AND PARK COMMISSIONERS

C.D. 7

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: HANSEN DAM PARK - DISCOVERY SCIENCE CENTER OF LOS ANGELES - MEMORANDUM OF UNDERSTANDING WITH THE DISCOVERY SCIENCE CENTER

R. Adams	_____	K. Regan	_____
H. Fujita	_____	*M. Shull	<u><i>MS</i></u>
V. Israel	_____	N. Williams	_____

[Signature]
General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Rescind action taken by the Board at its meeting of October 20, 2010 (Board Report No. 10-283) which approved a Memorandum of Understanding (MOU) between the Discovery Science Center (DSC) and the City of Los Angeles, acting by and through the Department of Recreation and Park Board of Commissioners (Board), relative to the design, fabrication, and installation of exhibits and the operation and maintenance of a Children's Museum and Environmental Awareness Center at Hansen Dam (Museum), formerly known as the Children's Museum of Los Angeles (CMLA) facility;
2. Approve a proposed MOU, substantially in the form on file in the Board Office, between Board and DSC, relative to the design, fabrication and installation of exhibits, and the operation and maintenance of a museum at Hansen Dam Park, proposed to be called the Discovery Science Center of Los Angeles (DSCLA), subject to the approval of the Mayor and the City Attorney as to form;
3. Find, in accordance with Charter Section 1022, that the Department of Recreation and Parks (RAP) does not have personnel available in its employ to provide the professional services necessary to develop the exhibits and to operate the Museum and, due to the City's current budgetary constraints, RAP is unable to hire the personnel required to perform these specialized tasks;

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4. Find, in accordance with Charter Section 371(e)(10), for the reasons stated in the Summary of this Report, that obtaining competitive proposals or bids for the development of the exhibits and the operation and maintenance of the Museum would be undesirable and impractical;
5. Direct the Board Secretary to transmit the proposed MOU concurrently to the Mayor in accordance with Executive Directive No. 3, and to the City Attorney for review and approval as to form;
6. Authorize staff to negotiate the terms and conditions for an agreement for development of exhibits and long term operation and maintenance of the Museum; and,
7. Direct staff to return to the Board for final consideration of the agreement with DSC for the development of exhibits, and for operation and maintenance of the Museum, as described in the Summary of this Report.

SUMMARY:

In April 2009, CMLA, the organization responsible for constructing and operating a Museum on property leased from the RAP, filed for Chapter 7 bankruptcy and liquidation due to financial difficulties. At the time of the bankruptcy filing, construction of the facility was nearly complete but no exhibits for the Museum had been fabricated or installed. As part of the bankruptcy proceedings, the Bankruptcy Trustee undertook extensive efforts to identify an entity that would complete the design, fabrication and installation of the exhibits and would operate and maintain the Museum. The Bankruptcy Trustee received inquiries from the DSC, the Young Men's Christian Association (YMCA), and the Drug Enforcement Agency. However none of these discussions proceeded beyond the initial discussions stage. Ultimately, the Bankruptcy Trustee was unable to find a suitable operator for the Museum, given the legal restraints on its use as a Children's Museum/Environmental Awareness Center. The organization the Bankruptcy Trustee was able to find that was the closest fit for the City's needs was DSC; however, at that time, DSC did not have the capital resources available to fabricate and install exhibits.

In November 2009, the Bankruptcy Trustee rejected CMLA's lease, fully discharging CLMA's obligations and RAP took possession of the premises where the Museum was being developed. In accordance with the various City and State funding and grant agreements, the City is obligated to complete, operate, and maintain a children's museum and environmental awareness center, for a minimum of 30 years. If the City should fail to open the Museum by the current grant deadline of June 30, 2014, or an extension of that deadline, as may be approved by the State, the City would be obligated to return approximately \$17.8 million in City and State grant funds that were obligated for the construction of the former CMLA facility.

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Following RAP's assumption of possession of the former CMLA facility, RAP staff engaged in discussions with a number of City departments and agencies, and several non-profit organizations as well, concerning the possibility of having these entities sponsor various exhibits at the Museum in order to make it possible for the Museum to open to the public.

Proposition 84 Nature Education Facilities Grant Program

In March 2010, the State of California released a Request for Proposals for the Proposition 84 Nature Education Facilities (NEF) Grant Program; a competitive grant funding program for nature education and interpretation exhibits, research facilities, and equipment to non-profit organizations and public institutions including natural history museums, aquariums, research facilities and botanical gardens. The Museum was identified as an ideal location to develop interpretative exhibits and nature and environmental education programming and the construction of such exhibits at the Museum would help the City meet its existing obligations to open the Museum to the public.

In a motion, adopted by the City Council on June 30, 2010 (Council File No. 10-1133), the City Council authorized RAP to submit a Proposition 84 NEF Grant Program application for \$7 million for the Hansen Dam Nature Education Center (HDNEC) project at the Museum. The grant application submitted by RAP proposed to develop state-of-the-art interactive exhibits at the Museum that provide nature education and natural resource interpretation and help educate young people about the importance of environmental preservation, restoration, and conservation.

In Board Report No. 10-283, approved by the Board at its meeting of October 20, 2010, the Board approved a MOU with DSC relative to the design, fabrication, and installation of exhibits for the Museum and for the long-term operation and maintenance of the exhibits and the Museum facility. The MOU anticipated that, if RAP was awarded funding for the HDNEC Project, DSC would manage the design, fabrication and installation of the exhibits, and the City would pay the vendors directly with the grant funds. The MOU also stated that if Proposition 84 NEF grant funds were not awarded to RAP, that RAP and DSC would work together to identify other prospective funding sources to develop the exhibit program.

Prior to the execution of the MOU with DSC, the State announced the award of 44 grants from the Proposition 84 NEF Grant Program. The City's grant application for the HDNEC Project at the Museum was not among the projects awarded funding.

In light of the City's failure to secure funding from the Proposition 84 NEF Grant Program for the HDNEC Project, and due to the fact that several of the grant deadlines for the City and State grant funds that were obligated for the construction of the former CMLA facility have been extended, Staff has determined that the dates and terms of the MOU that was approved by the Board on October 20, 2010 are no longer viable. Staff recommends that the Board consider and

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approve a new MOU with DSC relative to the design, fabrication and installation of exhibits and the long-term operation and maintenance of a Museum at Hansen Dam Park.

Discovery Science Center

In recognition of the existing grant deadline to open the Museum to the public, City staff has been working to identify the type and level of resources required to operate and maintain the Museum. To that end, City staff has engaged in discussions with DSC, which has indicated that it is willing and interested in entering into a long-term agreement with RAP relative to the operation and maintenance of the Museum.

DSC, a non-profit organization based in the City of Santa Ana in Orange County, is recognized as an experienced, creative, and innovative organization dedicated to educating young minds, assisting teachers, and increasing public understanding and appreciation of science, math, and technology. DSC has considerable experience in exhibit design and construction, the development of education programs, and the management and operation of a large learning facility. The DSC's current 59,000 square foot learning center is similar in size to the 57,000 square foot Museum facility.

DSC is acknowledged, by both peers and national publications, as a top tier science center and is ranked in the top 25 among science centers for attendance and the number of students taught in its outreach programs. DSC is a member of the Association of Science and Technology Centers and is a Smithsonian Institute Affiliate organization. Science centers are, much like children's museums, designed to connect youth of all ages and backgrounds with science and to provide visitors with firsthand experience with the natural world. Science centers such as DSC provide programs that are intended to enhance student's interest in science and promote environmental awareness.

The DSC management team has extensive experience in programming, operating, marketing, and fundraising for a large science center and would be able to leverage existing contacts and partnerships to bring major exhibits, including traveling exhibitions from the Smithsonian Institution, to the Museum. DSC is capable of implementing the design and construction of hands-on interactive exhibits and has an in-house exhibit maintenance and management program.

DSC staff has developed unique and award winning educational programs and content, including programs for school field trips, after school learning, assemblies, and summer camps, as well as hands-on science educational kits, which could also be offered at the Museum. While DSC is not a school, it provides free, high-quality, science education programs, structured classroom educational programs, and teacher training programs specifically designed to align with the current California Science Content Standards for grades K through 8.

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DSC has internal administrative and management databases, programs, and models for marketing, fundraising, finance, point-of-sale, and booking/ticketing. These administrative services and functions could be scaled up to be utilized in the operation of the Museum, which would provide immediate operational efficiencies.

Memorandum of Understanding

As discussed above, staff recommends that the Board approve a new MOU with DSC relative to the design, fabrication and installation of exhibits and the long-term operation and maintenance of a Museum at Hansen Dam Park.

Pursuant to the terms and conditions of the proposed MOU, and subject to current or future grant terms and conditions, and the completion of a long term operating and maintenance agreement for the Museum, the DSC would develop, operate, and maintain interactive exhibits at the Museum and develop a wide range of programming focused on environmental awareness education and natural resource interpretation. The Museum's programming and exhibits would be designed to serve City residents and visitors, including students and educators, from the surrounding community and the greater Los Angeles region. The Museum would help educate City residents and visitors about the importance of park land and open space and the critical role these spaces and resources have in the preservation, restoration, and conservation of natural ecosystems and in the protection of public health and the environment. As previously discussed, the City has an obligation to complete and operate the Museum; including the development of interactive exhibits and an environmental awareness component.

As detailed in the proposed MOU, DSC would, at its own expense, develop a plan for the Museum exhibit program (Exhibit Plan) and a plan for the design, fabrication and installation of the exhibit program and the long-term operation and maintenance of the Museum (Management Plan). DSC is required to submit a draft Exhibit Plan for the Board's consideration no later than June 30, 2012. DSC would be required to submit the final Exhibit Plan, and the final Management Plan, no later than December 31, 2012. The Exhibit Plan and the Management Plan are both subject to the review and approval of the Board.

The Exhibit Plan would include, but not be limited to, a description of the proposed exhibit program and associated educational programming. The Management Plan would include DSC's goals and objectives for the Museum; a schedule of performance; a breakdown of the anticipated operation and maintenance costs; a proposed maintenance plan for the Museum; and, a scope, budget, and timeline for the development of the exhibits and the implementation of the Exhibit Plan. The Exhibit Plan and the Management Plan are required to be consistent with the terms and obligations of the City's existing grant funding agreements.

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Additionally, the MOU anticipates that RAP and DSC will work together to identify and secure prospective funding sources to develop the exhibit program and to operate and maintain the Museum.

Upon execution of the MOU, RAP staff would begin negotiations with representatives of DSC on appropriate terms and conditions for a long term operating and maintenance agreement for the Museum. Following the successful completion of the discussions and negotiations with DSC, and the Board's approval of the final Exhibit and Management Plans, staff will return to the Board for review and approval of the final operating and maintenance agreement with DSC, which would have a term of sufficient length to fulfill the requirements and terms of any grant agreement(s) or funding source obligation.

Charter Section 1022 Finding

Los Angeles City Charter Section 1022 prohibits contracting out work that could be done by City employees unless the Board determines it is more economical or feasible to contract out the service.

The Personnel Department has completed a Charter Section 1022 review and determined that there are City classifications that could provide some of the professional services required to develop the exhibits for the Museum and to operate the Museum; however, RAP does not have sufficient staff available at this time to do so. Additionally, due to the City's current budgetary constraints, RAP is subject to a hiring freeze and is unable to obtain the personnel necessary to perform these specialized tasks. It is therefore more feasible to secure these services through an independent contractor.

Charter Section 371 Finding

Los Angeles City Charter Section 371(a) requires a competitive bid or proposal process unless there is an applicable exception under Section 371(e). Los Angeles City Charter Section 371(e)(10) provides an exception that "subject to the requirements of Section 1022, contracts (including without limitation those, as determined by the contracting authority, for the performance of professional, scientific, expert, technical or other special services), where the contracting authority finds that the use of competitive bidding would be undesirable, impractical or impossible or where the common law otherwise excuses compliance with competitive bidding requirements."

Los Angeles Administrative Code Section 10.15(a)(10) states that "for purposes of this Section, and for construing the same term in Charter Section 371(e)(10), the term "undesirable" shall mean and include only such situations in which the nature of the subject of the contract is such that competitive bidding would work an incongruity or be unavailing or would not produce an

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advantage, with sole reference to the public interest and in light of the purposes to be accomplished.”

If a competitive bid or proposal process is initiated for the development of exhibits and the operation and maintenance of the Museum it is highly unlikely that the City would be able to open the facility in time to meet the current grant deadline. As was described above, the Bankruptcy Trustee conducted an exhaustive search and was ultimately unable to identify and secure a suitable operator for the Museum. Furthermore, even if a suitable operator could be identified through a competitive bid process, the City would be unlikely to find one who could design, develop, and construct an exhibit program that would meet the City’s obligation to open a Children’s Museum, with an environmental educational component, to the public by current grant deadline of June 30, 2014.

DSC is recognized as a highly qualified science center operator, and is capable and willing to operate the Museum. DSC has the experience and contacts necessary to oversee the construction, development, or acquisition of a state-of-the-art exhibit program by the grant deadline. DSC’s unique and highly specialized educational programs, which could be offered at the Museum, would enable the City meet its obligations to provide a children’s museum with an environmental awareness component. Students from grades K through 8 could visit the Museum, either on field trips organized by their school or individually outside school hours, to learn about topics of interest in an interactive, hands-on, environment.

DSC has well-established administrative and management procedures for marketing, fundraising, finance, point-of-sale, booking/ticketing, programming, and exhibit maintenance which could be scaled up to be utilized in the operation of the Museum, resulting in immediate operational efficiencies and savings in operational costs at the Museum.

The development of a long-term operating and maintenance agreement with DSC for the Museum would provide the City its best opportunity to meet the City’s existing grant obligations and deadlines. Therefore, staff has determined that it would be undesirable and impractical to bid for the operation of the Museum at this time.

Environmental Review

Staff has determined that the project has been previously evaluated for environmental impacts in compliance with City California Environmental Quality Act (CEQA) Guidelines, and the proposed new memorandum of understanding will not cause any additional adverse environmental impacts. A Mitigated Negative Declaration (MND) was adopted by the Los Angeles City Council on May 24, 2000 in connection with the CMLA project, including the operations of the Museum facility. A Notice of Determination was filed with the Los Angeles City and County Clerks on June 20, 2000. The proposed operation of the Museum, under the

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terms of the Agreement, will not substantially change the scope of the original operational plan of the Museum, nor require any additional mitigation measures. Therefore, the previously adopted MND is still valid for this Agreement, and no additional CEQA documentation is required for Board approval.

FISCAL IMPACT STATEMENT:

The approval and execution of the proposed MOU will not have any impact on the Department's General Fund.

This report was prepared by Darryl Ford, Management Analyst II, Planning, Construction Division, and Maintenance.

PERSONNEL DEPARTMENT CONTRACT REVIEW REPORT

1. Requesting Department: Department of Recreation and Parks (RAP)

2. Contacts

Department: Michael A Shull Phone No. 213-202-2655 Fax No. 213-202-2611
CAO: Bernyce Hollins Phone No. 213-473-7547 Fax No. 213-473-7512

3. Work to be performed:

The Department of Recreation and Parks has a need for a contractor to design, fabricate, construct, and install exhibits for a 59,000 square-foot children's museum facility and associated exhibits at Hansen Dam Park; and, to manage, operate, and maintain said facility. The children's museum facility will provide public programs, content, and special events that are specifically designed to provide opportunities for nature and environmental education, promote outdoor recreation, and engender support for the protection and preservation of natural resources and environments.

Duties and tasks include, but are not limited to, the acquisition, design, operation, interpretation, and maintenance of interactive exhibits; the development of interpretative programs and content based on nature and environmental education for the use of and enjoyment of the general public, including youth and students; the creation and management of facility marketing, advertising, and public relations programs; the management of a fundraising program, which includes the identification of donors, corporate sponsors, and grant opportunities, to raise funds for facility operational and capital needs. Technical services including the development and maintenance of marketing, fundraising, finance, and tour booking databases and programs.

4. Is this a contract renewal? Yes No

5. Proposed length of contract: 30 years Proposed Start Date: July 1, 2012

6. Proposed cost of contract (if known): \$0

7. Name of proposed contractor: Discovery Science Center of Los Angeles.

8. Unique or special qualifications required to perform the work:

The ability to manage and oversee the construction, development, or acquisition of a state-of-the-art interactive exhibit program that is specifically designed to provide opportunities for nature and environmental education, promote outdoor recreation, and engender support for the protection and preservation of natural resources and environments; significant experience developing environmental education programs, content, and events appropriate for families, youth, and teenagers; and, knowledge of grants and resources available from foundations, non-profit organizations, and corporations, which could be used to help provide science and nature programming appropriate for a children's museum.

9. Are there City employees that can perform the work being proposed for contracting?

Yes No

If yes,

a. Which class(es) and Department(s): N/A.

b. Is there sufficient Department staff available to perform the work? Yes No

c. Is there a current eligible list for the class(es)? Yes No Expiration Date N/A.

Estimated time to fill position(s) through CSC process? N/A.

- d. Can the requesting department continue to employ staff hired for the project after project completion? Yes No
- e. Are there City employees currently performing the work? Yes No

10. Findings

- City employees DO NOT have the expertise to perform the work
- City employees DO have the expertise to perform the work

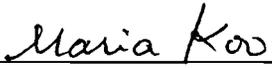
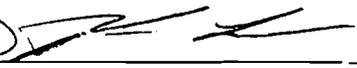
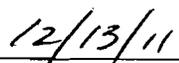
Check if applicable (explanation attached) and send to CAO for further analysis

- Project of limited duration would have to layoff staff at end of project
- Time constraints require immediate staffing of project
- Work assignment exceeds staffing availability

SUMMARY:

Staff determined that the job classifications of Architect, Art Instructor, Carpenter, Civil Engineer, Construction and Maintenance Supervisor, Development and Marketing Director, Electrical Engineer, Electrician, Exhibit Preparator, Gardener Caretaker, Graphic Designer, Landscape Architect, Maintenance and Construction Helper, Painter, Park Services Attendant, Public Relations Specialist, Recreation Coordinator, Recreation Facility Director, and Structural Engineer may be able to perform some of the work outlined in the contract. However, it is unknown whether current incumbents have the appropriate expertise to develop the exhibits, to design and provide public programs, content, and special events that are specifically designed to provide science, nature, and environmental education, have knowledge of grants and resources available from foundations, non-profit organizations, and corporations to help provide science and nature programming appropriate for a children's museum, or have specialized administrative and technical experience to operate a children's museum. For these reasons, it may be more effective to utilize a contractor.

Further, according to RAP, due to the City's current budgetary constraints there are insufficient resources available to the Department to identify, hire, and train the required number and type of staff needed to operate, program, and maintain a children's museum facility. It is unlikely that sufficient resources will be identified and made available to the Department in time to meet the current State grant deadline of June 30, 2014. If the City should fail to open the children's museum facility by the current State grant deadline of June 30, 2014, or an extension of that deadline, as may be approved by the State, the City would be obligated to return approximately \$17.8 million in City and State grant funds that were obligated for the construction of the children's museum facility.

			
Submitted by	Reviewed by	Approved by	Date
Maria Koo	Shelly Del Rosario	Raul Lemus	
Personnel Analyst II	Sr. Personnel Analyst II	Chief Personnel Analyst	