



REPORT OF GENERAL MANAGER

NO. 15-053

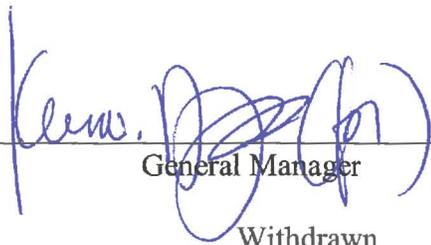
DATE: March 19, 2015

C.D. 9

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: JOY PICUS CHILDCARE CENTER – AWARD OF AN OPERATING CONTRACT TO MOUNT WASHINGTON PRESCHOOL AND CHILDCARE CENTER, INC. AND EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

R. Adams	_____	*V. Israel	_____
R. Barajas	_____	K. Regan	_____
H. Fujita	_____	N. Williams	_____



 General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Award and approve a proposed five (5) year operating contract (Contract), with one (1) five (5) year renewal option exercisable at the mutual consent of both parties, substantially in the form on file in the Board Office, to Mount Washington Preschool and Childcare Center, Inc. (MWPC), for the operation of the Joy Picus Childcare Center located on the ground floor of City Hall South, subject to approval of the Mayor, City Council, and the City Attorney as to form;
2. Find, in accordance with Charter Section 1022, that the Department of Recreation and Parks (RAP) does not have personnel in its employ that possess the expertise necessary to undertake the specialized, professional tasks associated with the operation of a licensed childcare center, and that it is more feasible and economical to secure such services through the proposed Contract;
3. Direct the Board Secretary to transmit the proposed Operating Contract, concurrently, to the Mayor, in accordance with Executive Directive No. 3, and the City Attorney; and,
4. Authorize the Board President and Secretary to execute the subject Contract upon receipt of the necessary approvals.

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SUMMARY:

On September 3, 2014, the Board approved the release of a Request for Proposals (RFP) to identify a responsive and responsible business entity with the expertise and professional experience necessary to operate the Joy Picus Childcare Center (Center) located on the ground floor of City Hall South, at 111 East First Street, Los Angeles, CA 90012 (Report No. 14-235).

On September 11, 2014, the RFP was released on the Los Angeles Business Assistance Virtual Network (LABAVN) and the Department of Recreation and Parks (RAP) website, and advertised in a local periodical (Daily Journal). The RFP generated forty-three (43) distinct viewers on LABAVN. On October 7, 2014, a pre-proposal conference was held at the RAP Central Service Yard, Partnership Division office, followed by a facility site-walk held at the Center, which were attended by five (5) preschool and childcare related business entities.

The original deadline for submitting RFP proposal responses was November 4, 2014, by no later than 3:00 p.m. in the RAP Board Office. Pursuant to inquiries received from potential proposers and other interested parties following the pre-proposal conference, the submission deadline was extended to November 18, 2014 (also by no later than 3:00 p.m.), to allow potential proposers more time to prepare the required documents and completion of RFP requirements. The new deadline was posted on LABAVN and the RAP website. Subsequently, on October 29, 2014, Staff advised by email, those business entities in attendance at the pre-proposal conference that the deadline had been extended.

On November 17, 2014, the Board Office received a timely proposal from MWPC. The following day on November, 18, 2014, at approximately 3:34 p.m., a courier from the YWCA of the Harbor arrived at the Board Office with documents which according to Board Office staff appeared to be RFP proposal materials. However, due to the proposal submission deadline being 3:00 p.m., the Board Office was not able to accept the late arrival as a timely response to the RFP. The following day on November 19, 2014, the Board Office informed the Partnership Division that only one (1) proposal had been received in a timely manner, prior to expiration of the RFP proposal submission deadline.

As stipulated in the RFP, the evaluation of submitted proposals was to occur through two (2) levels of evaluation:

- Level I was to review the proposals and verify that compliance with RFP submittal requirements and the sufficiency of submittal documents had been met;
- Level II consisted of a comprehensive evaluation of the proposal by a panel comprised of City employees.

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As stipulated in the RFP, proposals were required to satisfy all requirements under Level I in order to proceed to Level II. In accordance with the RFP guidelines, proposals would be found to be either Responsive (pass) or Non-Responsive (fail). The Level I review of the MWPCCC proposal resulted in a determination that MWPCCC meets all minimum requirements pertaining to operations experience, management experience, industry track record, and satisfactory performance of contracts; and that MWPCCC had successfully submitted a proposal satisfying all RFP requirements, including submission of all required supporting documents. Additionally, the MWPCCC proposal was found to be Responsive in all ten (10) compliance documents, and Responsive in all six (6) submittal documents.

A panel of City Employees reviewed the responsive proposal and determined the practicality of accepting the one (1) responsive proposal submitted. The panel consisted of:

- a Principal Recreation Supervisor, with extensive experience in licensed childcare and who has performed numerous audits of childcare facilities, including the Joy Picus Childcare Center, and has previously trained RAP licensed childcare coordinators, and was the RAP liaison to the State Department of Social Services with respect to childcare licensing; and,
- a Senior Management Analyst II from the Partnership Division, with numerous years of experience in evaluating the operations of nonprofit organizations operating on park property, and preparing related agreements for the provision of various programs and services funded through public and private sources, including licensed childcare facilities.

Both panelists thoroughly reviewed the proposal submitted by MWPCCC, in response to the RFP, and agreed that the organization has the financial capability of performing the requested services, has the background and experience necessary to undertake this type of activity, and that the organization proposed a viable plan to provide quality childcare services at the Center for the benefit of City employees and the public.

Mount Washington Preschool and Childcare Center, Inc.:

Executive Summary:	Presented a clear comprehension of the requirements of the RFP, and demonstrated their understanding and capability to successfully fulfill the operational requirements associated with the Center, in accordance with the contractual responsibilities stipulated in the RFP.
Background and Experience:	The MWPCCC proposal meets the minimum Background and Experience requirements stipulated in the RFP. MWPCCC previously operated the Center for thirteen (13) years, from June 2001 through June 2008, and then again from July 2009 to the present. In addition, MWPCCC also

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operates two (2) other childcare centers with government contracts: Harry Pregerson Childcare Center (2003 to the Present), and La Casita Verde Child Development Center (2001 to the present).

The MWPCCE Executive Director was appointed to her position in 2007; prior experience includes: Director of the Harry Pregerson Childcare Center (2003-2007), Director of Highlands Preschool (1999-2003), Assistant Director of Mount Washington Preschool which became Highlands Preschool in 1997 (1997-99); and Lead Teacher at the Mount Washington Preschool (1994-97)

Copies of State of California Licenses issued to MWPCCE for the operation of an infant center and day care center (separate documents) were provided along with a copy of their National Association for the Education of Young Children accreditation certificate.

- Operating Budget: The Operating Budget included in the MWPCCE proposal demonstrates the organization's financial means and resources necessary to finance, operate and sustain the continued operation of the Center. The operation of the Center is solely through MWPCCE corporate cash reserves. Copies of bank and audited financial statements demonstrating the financial resources to sustain Center operations were included as required by the RFP, as well as a copy of their Experian Credit Ranking Report which reflected a Credit Ranking Score of 97, which reflected them as being Low Risk with positive monthly and quarterly payment trends.
- Client Fee Schedule: The MWPCCE proposed fee reflects an increase from the current fee schedule that has been in place since July 1, 2012. The proposed fee increase for 2015-16, to be effective July 1, 2015, reflects an increase of approximately 9%. This proposed increase correlates to an annual increase of approximately 3% per year (2013-14, 2014-15, and 2015-16). The existing contract allows for an annual increase of 3.5% annually. Based on staff research performed in July of 2014, findings show that the Center's tuition and fees at that time, and currently, are similar to tuitions and fees charged by other, similar government-contracted childcare centers (First Flight Child Development Center at Los Angeles World Airports, and Cal-Tot Child Care Center at the Ronald Reagan State Building).
- Childcare Center Plan MWPCCE presented a childcare operations plan that will maintain operations at the existing level, ensuring appropriate staff levels

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throughout the day, every day of Center operations, for each classroom, maintaining required teacher-student ratios. The proposed plan will retain existing staff, which includes staff leadership through the Center Director, Assistant Director, Lead Teacher, and Office Manager who will collectively ensure that staff receive the necessary levels of staff training and facility operations to maintain the appropriate level of high-quality services provided; and maintain compliance with licensing and accreditation requirements. MWPC is the only operator of the Center to have ever achieved National Association for the Education of Young Children (NAEYC) accreditation twice. The MWPC philosophy provides an environment which promotes the student's self-esteem and fundamental worth, while recognizing the student's individuality. The MWPC "emergent curriculum" is focused at planning daily activities based on the student's interest and passions, as well as that of the teacher(s). This curriculum plan requires observation, documentation, creative brainstorming, flexibility, and patience. MWPC plan also involves communication and a close working relationship with the Joy Picus Childcare Center Parent Association Council so child-development program information and resources are provided to parents accordingly.

Proposed Agreement General Provisions:

In addition to standard contract provisions, including the Standard Provisions for City Contracts (03/09), the proposed agreement shall contain the following contractual provisions:

1. Parties: The proposed agreement for the operation of a portion of City Hall South designated as the "Joy Picus Childcare Center" (referred to herein as "Center"), shall be between the Contractor and the City of Los Angeles, acting by and through the Board of Recreation and Park Commissioners.
2. Term: Five (5) years, with one (1) five (5) year option to extend, exercisable at the mutual consent of both parties (Board and the Contractor).
3. Contractor Responsibilities:
 - a. General Operation: Contractor shall manage the Center and operate a high-quality childcare program providing such services for a licensed capacity of eighty-six (86) children, ages six (6) weeks to under six (6) years of age. Notwithstanding certain requirements included in the RFP and proposed agreement, but not listed below, Contractor shall also be required to:

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- (i) Be responsible for the maintaining and accounting for the Center's revenue and expenses including but not limited to the collection of fees and payment of liabilities. All fees shall be subject to prior written approval by the Board;
 - (ii) Fully accept any and all risk of operating losses associated with the operation of the Center;
 - (iii) Not use the Center for any purpose other than childcare and related services;
 - (iv) Establish a philosophy and curriculum that promotes best-practices in the field of early care and education, consistent with the City's philosophy and objectives described in the RFP and proposed agreement, ensuring that the program implements effective procedures to ensure the health, safety, and security for all individuals while involved in the Center's program;
 - (v) Obtain and/or maintain in good standing a State of California childcare license and accreditation through the National Association for the Education of Young Children (NAEYC), and comply with associated requirements, respectively;
 - (vi) Be responsible to obtain, pay for, and maintain in good standing, all other permits, licenses, and/or certifications that may be required for, or associated with, the operation and maintenance of the Center, such as, but not limited to, fire clearances; and,
 - (vii) Provide RAP with annual and quarterly financial and status reports, as described in the RFP and proposed agreement.
4. Hours / Days of Operation: Contractor shall operate the Center from 6:30 a.m. to 6:00 p.m., Monday through Friday, excluding the following City of Los Angeles recognized employee holidays: New Year's Day; Martin Luther King Jr. Birthday; George Washington's Birthday; Cesar E. Chavez' Birthday; Memorial Day; Independence Day; Labor Day; Columbus Day; Veteran's Day; Thanksgiving Day; the Friday after Thanksgiving; and Christmas Day;
5. Tuition Fees: Existing Center tuition rates and fees (2012-13) which have been in effect from July 1, 2012 to the present are attached as Exhibit A-1. The difference between the existing fees and the fees proposed in the Contractor's proposal, reflect a proposed increase of approximately 9%, as described above under "Client Fee Schedule". Considering that there has been no fee increase since July 2012, and based on staff's research in July 2014 which shows that as of July 2014, Center tuition rates and fees are

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similar to tuition rates and fees charged by two (2) other childcare operators at government buildings, it is recommended that the Board authorize staff to allow a 3.5% tuition rate and fee increase. RAP proposed tuition rates and fees for the 2015-16 fiscal year, to be effective July 1, 2015, are included in the proposed Agreement and are attached here as Exhibit A-2;

6. Utilities: GSD will assume the cost of water, gas, and electricity;
7. Facility Repair, Custodial, and Trash Disposal: GSD will assume responsibility for facility repair, interior custodial services, and trash disposal;
8. Telecommunications: The Information Technology Agency will assume the cost of local telephone calls, and will be responsible for the maintenance and repair of such equipment and services;
9. Exterior Grounds Maintenance: RAP shall assume costs related to the maintenance of the exterior grounds, including the children's play area.
10. RAP shall be responsible for the administration and monitoring of the proposed agreement;
11. Parking: Contractor shall be provided a thirty (30) minute passenger loading and unloading turn-out zone in front of the Center on Los Angeles Street. In addition, there shall be seven (7) thirty (30) minute parking spaces available during drop-off and pick-up times, and two (2) additional parking spaces in the City's underground parking garage near the loading and unloading area.

Charter Section 1022 Determination

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 and/or feasible to contract the service out with an outside entity. The subject service in this case requires an expertise not available within RAP, GSD, ITA, and other City departments. There are no available City staff with classifications that meet the expertise requirements necessary to perform the essential aspects of the required work.

The Joy Picus Childcare Center is a specialized facility that requires the knowledge and ability to operate a high-quality childcare program with a specialized curriculum; hire and train teachers; provide unique services and activities; and, provide such on a continuous year-round basis. It is not feasible for RAP to hire and train childcare administrators, teachers, and staff required to meet the demands associated with the operation of the Center. Therefore, it is more feasible and economical to contract with an outside business entity to perform such services.

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Staff has determined that the execution of the proposed Agreement is for the operation and programming of an existing childcare facility involving negligible or no expansion of use and, therefore, is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Article III, Section 1, Class 1 (14) of the City CEQA Guidelines.

FISCAL IMPACT STATEMENT:

There is no additional impact to the RAP General Fund as Mount Washington Preschool and Childcare Center, Inc. will operate the Center at their own risk and expense, with GSD and ITA providing operational support services at their expense, and RAP providing only exterior landscaping services and contract administration for which RAP is already budgeted.

This report was prepared by Vicki Israel, Assistant General Manager, Partnership and Revenue Branch, and Joel Alvarez, Senior Management Analyst, Partnership Division

Exhibit A-1

JOY PICUS CHILD DEVELOPMENT CENTER

2012 - 2013 Monthly Tuition Rates

Effective: July 1, 2012

Waiting List Fee: To be paid at the time application is turned in (non-refundable) \$ 70.00
Enrollment Fee: To be paid at the time of enrollment: \$ 120.00

Infants - Ratio 3:1	City Rate	Community Rate	DWP Rate
5 days per week	\$ 1,158.00	\$ 1,200.00	\$ 1,007.33
4 days per week	\$ 1,032.00	\$ 1,071.00	\$ 910.66
3 days per week	\$ 778.00	\$ 807.00	\$ 688.00
2 days per week	\$ 522.00	\$ 541.00	\$ 461.33
Extra day of care (when available)	\$ 70.00	\$ 70.00	\$ 70.00

Toddlers - Ratio 4:1	City Rate	Community Rate	DWP Rate
5 days per week	\$ 1,137.00	\$ 1,176.00	\$ 998.33
4 days per week	\$ 1,013.00	\$ 1,050.00	\$ 902.06
3 days per week	\$ 763.00	\$ 791.00	\$ 679.80
2 days per week	\$ 511.00	\$ 530.00	\$ 455.53
Extra day of care (when available)	\$ 70.00	\$ 70.00	\$ 70.00

Preschool I - Ratio 6:1	City Rate	Community Rate	DWP Rate
5 days per week	\$ 1,003.00	\$ 1,061.00	\$ 890.33
4 days per week	\$ 879.00	\$ 922.00	\$ 788.86
3 days per week	\$ 660.00	\$ 712.00	\$ 612.40
2 days per week	\$ 479.00	\$ 511.00	\$ 433.93
Extra day of care (when available)	\$ 70.00	\$ 70.00	\$ 70.00

Preschool II - Ratio 8:1	City Rate	Community Rate	DWP Rate
5 days per week	\$ 854.00	\$ 942.00	\$ 741.33
4 days per week	\$ 778.00	\$ 828.00	\$ 687.86
3 days per week	\$ 604.00	\$ 649.00	\$ 536.40
2 days per week	\$ 426.00	\$ 459.00	\$ 380.93
Extra day of care (when available)	\$ 70.00	\$ 70.00	\$ 70.00

Hours of Operation: 6:30AM - 6:00PM Monday through Friday

Holidays/Closure Days: Closed all City Holidays & other days per schedule provided annually

- Tuition is due by the first (1st) of every month.
- If the 1st is on a holiday or weekend, then tuition is due on the NEXT business day.
- A \$10.00 per day late fee will be applied to tuition received after the 1st of the month.
- A \$1.00 per minute late pick-up fee will be applied for late pick-up after 6:00PM.
- There are no tuition credits or adjustments for illness, holidays, vacations or circumstances beyond our control.

PLEASE MAKE CHECKS PAYABLE TO: MWPCCC

Exhibit A-2

JOY PICUS CHILD DEVELOPMENT CENTER

2015 – 2016 Monthly Tuition Rates

Effective: July 1, 2015

Waiting List Fee: To be paid at the time application is turned in (non-refundable) \$ 70.00
Enrollment Fee: To be paid at the time of enrollment: \$ 120.00

Infants – Ratio 3:1	City Rate	Community Rate	DWP Rate
5 days per week	\$ 1,199.57	\$ 1,242.00	\$ 1,042.59
4 days per week	\$ 1,068.12	\$ 1,108.49	\$ 942.53
3 days per week	\$ 806.27	\$ 835.25	\$ 712.08
2 days per week	\$ 540.27	\$ 559.94	\$ 477.48
Extra day of care (when available)	\$ 72.45	\$ 72.45	\$ 72.45

Toddlers – Ratio 4:1	City Rate	Community Rate	DWP Rate
5 days per week	\$ 1,176.80	\$ 1,217.16	\$ 1,033.27
4 days per week	\$ 1,048.46	\$ 1,086.75	\$ 933.63
3 days per week	\$ 789.71	\$ 818.69	\$ 703.59
2 days per week	\$ 528.89	\$ 548.55	\$ 471.47
Extra day of care (when available)	\$ 72.45	\$ 72.45	\$ 72.45

Preschool I – Ratio 6:1	City Rate	Community Rate	DWP Rate
5 days per week	\$ 1,038.11	\$ 1,098.14	\$ 921.49
4 days per week	\$ 909.77	\$ 954.27	\$ 816.47
3 days per week	\$ 703.80	\$ 736.92	\$ 633.83
2 days per week	\$ 495.77	\$ 528.89	\$ 449.12
Extra day of care (when available)	\$ 72.45	\$ 72.45	\$ 72.45

Preschool II – Ratio 8:1	City Rate	Community Rate	DWP Rate
5 days per week	\$ 883.89	\$ 974.97	\$ 767.28
4 days per week	\$ 805.23	\$ 856.98	\$ 711.94
3 days per week	\$ 625.14	\$ 671.72	\$ 555.17
2 days per week	\$ 440.91	\$ 475.07	\$ 394.26
Extra day of care (when available)	\$ 72.45	\$ 72.45	\$ 72.45

Hours of Operation: 6:30 AM – 6:00 PM Monday through Friday
Holidays/Closure Days: Closed on all City of Los Angeles Holidays and other days per schedule provided annually

- Tuition is due by the first (1st) of every month.
- If the 1st is on a holiday or weekend, then tuition is due on the NEXT business day.
- A \$10.00 per day late fee will be applied to tuition received after the 1st of the month.
- A \$1.00 per minute late pick-up fee will be applied for late pick-up after 5:00 PM.
- There are no tuition credits or adjustments for illness, holidays, vacations or circumstances beyond our control.

PLEASE MAKE CHECKS PAYABLE TO: MWPCCC