

May 23, 2023

**C-12**

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

RECOMMENDATION:

Authorize the City Manager, or designee, to enter into a Lease Agreement with Sean Khan Consulting Company, Inc., of Chino Hills, CA, for the lease of a prefabricated modular building, for a period of five years, in an amount not to exceed \$81,300. (District 4)

DISCUSSION

Due to the limited space in the Parks, Recreation and Marine Department (PRM) Administrative building, PRM has a history of using mobile office units to provide workspaces for employees. In 2016, the Park Planning and Partnerships Bureau, known as Planning and Development Division at the time, was seeking to replace a mobile office trailer near the PRM Administration building to continue accommodating a small number of staff.

After researching several companies that sell or lease modular buildings, Sean Khan Consulting Company, Inc., dba SKC Company was selected as the vendor to provide the temporary modular building. SKC Company provides prefabricated modular buildings for education and commercial uses. The modular buildings are available for purchase or lease and can be customized to provide the specific office design based on customer need. The City entered into a month-to-month lease with SKC for a 24' x 60' modular building that is currently still in use. Recently, SKC Company informed the City that it can no longer support a month-to-month lease. City staff propose a five-year lease that is equivalent in cost to what the City currently pays to lease the modular building.

It is requested that City Council approve a Lease Agreement containing the following terms and conditions:

- Leased Unit: 24' x 60' Prefabricated Modular Building
- Term: One (1) five-year period from June 1, 2023, through May 31, 2028
- Rent: \$16,260 annually/\$81,300 for five years
- Maintenance: Will be maintained by the City during lease period
- Early Termination Options: During Year Two: \$10,800 penalty; Year Three: \$9,840 penalty; Year Four: \$8,780 penalty; Year Five: \$8,160 penalty

- Dismantle and Return Fee: Optional fee of \$17,100 due to SKC Company, should the City be unable to dismantle and return the trailer on its own

This matter was reviewed by Deputy City Attorney Anita Lakhani on May 8, 2023, and by Budget Analysis Officer Greg Sorensen on May 3, 2023.

### TIMING CONSIDERATION

City Council action on this matter is requested on May 23, 2023, to enter into the new lease agreement.

### LEVINE ACT

This item is subject to the Levine Act. The Mayor, Councilmembers, and Commissioners who have received a contribution of more than \$250 within 12 months prior from a party, participant, or their representatives involved in this proceeding may do either of the following: (1) disclose the contribution on the record and recuse themselves from this proceeding; OR (2) return the portion of the contribution that exceeds \$250 within 30 days from the time the elected official knew or should have known about the contribution and participate in the proceeding.

All parties, participants, and their representatives must disclose on the record of this proceeding any contribution of more than \$250 made to the Mayor or any Councilmembers within 12 months prior to the date of the proceeding. The Mayor, Councilmembers, and Commissioners are prohibited from accepting, soliciting, or directing a contribution of more than \$250 from a party, participant, or their representatives during a proceeding and for 12 months following the date a final decision is rendered.

### FISCAL IMPACT

Sean Khan Consulting Company, Inc., will lease a modular building to the Parks, Recreation, and Marine Department for use as office space. The annual cost of the modular building will be \$16,260 for a term of five years. There is sufficient appropriation for the associated costs budgeted in the General Fund Group within the Parks, Recreation, and Marine Department. This recommendation has no staffing impacts beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

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SUGGESTED ACTION:

Approve the recommendation.

Respectfully submitted,

A handwritten signature in blue ink that reads "Brent Dennis". The signature is written in a cursive style with a large initial "B".

BRENT DENNIS  
DIRECTOR  
PARKS, RECREATION & MARINE

APPROVED:

A handwritten signature in blue ink that reads "T.B. Modica". The signature is written in a cursive style with a large initial "T".

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THOMAS B. MODICA  
CITY MANAGER

## LEVINE ACT DISCLOSURE STATEMENT

California Government Code Section 84308, commonly referred to as the "Levine Act," prohibits any Long Beach City Councilmember, the Mayor, and Commissioner ("City Officer") from participating in any action related to a proceeding if they receive any political contributions totaling more than \$250 within the previous twelve months, while a proceeding is pending, and for 12 months following the date a final decision in a proceeding concerning a license, permit, entitlement, franchise or, contract (collectively "license, permit, or contract") has been made, from the person or company awarded the said license or contract. The Levine Act also requires a City Officer that has received such a contribution to disclose the contribution on the record of the proceeding.

City Officers are listed at the following sites:

- The Mayor and Councilmembers - <https://www.longbeach.gov/officials/>
- Harbor Commissioners - <https://poib.com/commission>
- Water Commissioners - <https://lbwater.org/about-us/current-water-commissioners/>
- Planning Commissioners - <https://www.longbeach.gov/mayor/action/commissions/>
- Parks and Recreation Commissioners - <https://www.longbeach.gov/mayor/action/commissions/>
- Board of Examiners, Appeals, and Condemnation - <https://www.longbeach.gov/mayor/action/commissions/>
- Cultural Heritage Commission - <https://www.longbeach.gov/mayor/action/commissions/>
- Long Beach Community Investment Company - <https://www.longbeach.gov/lbds/hn/lbcic/>

**Proposers are responsible for accessing these links to review the names prior to answering the following questions.**

1. Have you or your company, or any agent on behalf of you or your company, made any political contributions of more than \$250 to any City Officer in the 12 months preceding the date of the submission of your proposals or the anticipated date of any City Council, Board, or Commission action related to this license, permit, or contract?

YES

NO

If yes, please identify the City Officer(s):

