



## Legislation Text

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**File #:** 23-0527, **Version:** 1

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Recommendation to authorize 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)

### **Levine Act: Yes**

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.

## 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.

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

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.

Approve recommendation.

[Enter Body Here]

BRENT DENNIS  
DIRECTOR  
PARKS, RECREATION & MARINE

APPROVED:

THOMAS B. MODICA  
CITY MANAGER