



OFFICE OF THE CITY ATTORNEY
ROCKARD J. DELGADILLO
CITY ATTORNEY

October 21, 2003

Mr. Russ Joyner
President, Hollywood Entertainment District
1680 N. Vine Street, #216
Hollywood, CA 90028

Re: Contracting Process for Security Company for Hollywood BID

Dear Mr. Joyner:

Several constituents have raised concerns about the process the Hollywood Entertainment BID is using to retain the services of a security company. The constituents want to insure that the process is truly an open and competitive one.

As you may recall, the issue of competitive bidding was the subject of litigation filed against the BID and the City several years ago. (Epstein v. Hollywood Entertainment District, City of Los Angeles, etal, BC207337.) The litigation ended in a November 2001, settlement agreement that provided that the BID "should obtain competitive bids on contracts and service agreements in the interests of efficient utilization of property owner assessment revenue" and that procedures specified in the settlement agreement would be followed.

The constituents are concerned about some of the factors used in the selection process, including the cost of the services and the manner in which the security services will be provided. The City, as a party to the original litigation, urges you to follow both the letter and the spirit of the settlement agreement regarding competitive bidding.

If you do not have a copy of the agreement, please call Susan Pfann at (213) 978-8199 and she can send you a copy.

Sincerely,

Terree A. Bowers
Chief Deputy

cc: Councilmember Eric Garcetti

Date	10/22	# of pages	1
From	Susan Pfann		
To	Mike Carey		
Co./Dept.	Hollywood		
Phone #	Kerry will be calling you about		
Fax #	not this matter		

FAX COVER SHEET
Hollywood Entertainment District
Property Owners Association
1680 N. Vine St., Suite 216
Hollywood, CA 90028
(323)463-6767
fax: (323)463-1839

DATE: October 22, 2003
TO: City Clerk Mike Carey
FROM: Sarah MacPherson
SUBJECT: HED security bidding procedures

Attached is a copy of the Request for Proposal for security services that was sent to more than 20 different contractors in September. Also included is a copy of the settlement agreement between Aaron Epstein and the HEDPOA.

Request for Proposal

September 12, 2003

Section One: Summary

The Hollywood Entertainment District Property Owners Association (HEDPOA) is seeking to contract with an experienced security services company to provide private security services within the common/public areas of the business improvement district (BID). The District's current security vendor, Burke Executive Security & Investigations, has provided services under contract to the HEDPOA since April, 1997. The current contract with Burke ESI will expire on December 31, 2003.

Section Two: Proposals

Ten copies of your proposal should be submitted by 5 p.m. October 2, 2003 to:

Hollywood Entertainment District POA
attn: Kerry Morrison, Executive Director
1680 North Vine Street, Suite 216
Hollywood, CA 90028

Section Three: Description

The Hollywood Entertainment District is a business improvement district in the city of Los Angeles. It was originally formed in late 1996 to encompass six blocks along historic Hollywood Blvd. (from La Brea to McCadden) and one block north and one block south of the Boulevard. In August of 1998, the District was expanded significantly to encompass an additional 12 blocks east of McCadden to Gower. (See Appendix A)

The District was recently renewed by the property owners for a five-year period (2004-2008). The district is now comprised of 210 property owners who are assessed a total of \$2.25 million annually to pay for security, maintenance services and marketing activities to promote the revitalization of the District.

Request for Proposal – Security Services
Hollywood Entertainment District POA
September 12, 2003

Section Four: Current Situation

The Hollywood Entertainment District Property Owners Association (HEDPOA), a 501(c) 4 organization, is responsible for the administration of the Hollywood Entertainment District business improvement district (BID). The Association seeks proposals from qualified vendors to provide a daily foot patrol to deter crime and provide visitor assistance within the BID. To that end, the HEDPOA is issuing this Request for Proposal with the intent that upon review of all submissions, a Contractor will be selected to enter into negotiations, resulting in a two-year contract with the HEDPOA through December, 2005 for the provision of services throughout the BID.

The HEDPOA seeks to augment existing law enforcement and private security patrols in the area. Currently the Los Angeles Police Department generally provides the following level of service to the area:

1. Footbeat: Two officers from La Brea to Vine. Occasional Day Watch. Night Watch footbeat 5:15 p.m. to 4:00 a.m.
2. Patrol cars: 6A37 and 6A45 overlap the BID area and respond to radio calls; work crime suppression and conduct traffic enforcement. These are 24 hour cars.
3. Bicycle detail: There are two bike officers available who work 16 days a month in this area.
4. Outreach: One homeless outreach is conducted each month with 12 officers. Much of this effort is in the Hollywood Entertainment District area, Sunset and Santa Monica Blvd. area.
5. Mounted unit: Occasional presence (usually 6-8 horses with officers) and usually on Hollywood Blvd.
6. Special Enforcement units: Consists of Gang Detail (1 sergeant and 10 officers); the Career Criminal Apprehension Unit (1 sergeant and 6 officers); and the Narcotics Field Enforcement Section (1 detective and 10 officers).

Request for Proposal – Security Services
Hollywood Entertainment District POA
September 12, 2003

Safety and security is the number one concern of property owners in the District. Through the retention of a private security service, the HED seeks to accomplish the following:

Section Five: Objectives of the Hollywood Entertainment District Program

1. **Visible presence:** Create a visible presence of security personnel within the boundaries of the District in order to improve the perception of public safety in the area.
2. **Decreased crime:** Achieve a measurable decrease in all crimes committed within the area. Initiate citizens arrest procedures when necessary.
3. **Transients, runaway youth, and panhandlers:**
 - a. Deter panhandling and aggressive begging
 - b. Provide resource information to street people and transients as to shelter, food, "call home" programs and drug rehabilitation services in the community.
 - c. Participate in community meetings with social service providers to promote communications and collaboration on mutual issues.
4. **Public Relations:** Provide assistance and information to visitors to Hollywood Blvd. and be willing to an capable of performing non "law-enforcement" responsibilities (e.g., pointing out tourist attractions, providing directions, answering questions about Hollywood landmarks, etc.)

Section Six: Services to be Provided

1. Footbeat

- a. Provide daily patrol, on foot, of all the common areas within the District. Common areas are defined as: sidewalks, alleys, public gathering places (e.g., courtyard of theatres, lobbies that are open to the public) subway station (above ground). The hours shall be flexible and shall be directed by the Security Committee and the Board for the HEDPOA. The hours may range from 6:00 a.m. to 3:00 a.m. Officers should be armed and highly trained to address all situations ranging from basic tourist contacts to potentially dangerous situations. It is expected that officers will have

Request for Proposal – Security Services
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to initiate citizens' arrests for misdemeanor and felony infractions. Please utilize the worksheet (**Appendix B**) to fill out a representative compilation of hours and costs.

b. Provide assistance, on call, to property owners, merchants and the public when contacted through the central security number.

c. Make at least 50 proactive general business and goodwill contacts each week. Document all contacts in logs.

d. Note: though the Security Committee will work with the vendor to optimize the deployment of personnel, and identify the appropriate hours for patrol, we welcome your input and/or opinion on the days/hours that would make the most sense for this particular District.

2. Supervision/Administration

a. Provide supervisor/dispatcher on duty at all times that officers are in field. Ensure that a live-body answers phone in security office.

b. Provide daily patrol log which documents all significant contacts or incidents (e.g., field investigations, contacts/warnings, citizen arrests).

c. Work with LAPD Hollywood Division to prepare appropriate documentation to accompany citizen's arrests.

d. Provide weekly statistical summaries of all arrests and contacts. A map documenting the locations of arrests with accompanying analysis of problem areas would be desirable.

e. Compile trespass arrest authorization forms from all property owners/business people interested in obtaining the service; maintain all originals on file in the HED Security office and at the Hollywood Division of LAPD. Keep these forms updated on an annual basis.

f. Supervisor and/or company principal must be available to attend monthly meetings of HEDPOA Security Committee, Hollywood Police/Security Services Alliance and occasional Community Police Advisory Board meetings.

3. Equipment/Office

The Hollywood Entertainment District will provide office space/headquarters for the

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Hollywood Entertainment District POA
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Security team. The Security Contractor will need to provide the following when necessary:

- holstered and exposed firearms
- uniforms (green polo shirts, black slacks, baseball caps and cold/wet weather gear)
- handcuffs
- pepper spray
- flashlights
- concealed soft body armor
- concealed radios with earpieces on an encrypted radio system
- base station
- repeater, to strengthen radio signal
- batteries for radios
- chargers for radios
- police scanner
- pagers for officers
- plastic property bags
- generic business cards
- field interview F I cards
- office supplies (e.g., paper, pens, logs)
- Polaroid and video Camera, film
- telephones (desk and portable) and billing expenses (approximately \$300/mo)
- computer (for office/daily reports)
- licensing fees for business and officers
- three vehicles

The HEDPOA will provide the following:

- office with desk, bench, wall brackets (for handcuffs) and lockers
- fax machine for office

4. Seasonal Variations

The HEDPOA Board of Directors, upon recommendation from the Security Committee, may opt to increase hours during peak seasons of the year, if the budget permits. When preparing your worksheet for this proposal, you will not incorporate peak season costs at this time. However be aware that peak season deployment may be requested during the summer season (usually defined as third week in June through Labor Day weekend) and the holiday season (Thanksgiving weekend through first weekend in January).

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5. Training

HEDPOA will pay for a portion of the time spent by officers in training; this is subject to negotiation in the contract. Please describe in detail the scope of your training program (i.e., topics and curriculum), the frequency of training sessions, and the number of hours a year dedicated to officer training. Please itemize these costs in your proposal.

Contractor is requested to submit 10 copies of its proposal in accordance with the following format requirements:

Section Seven: Specifications for Proposal

1. **Introduction:** An executive summary which describes the scope of work to be performed and the cost.
2. **Schedule of Costs:** Please complete worksheet included as Appendix B in this RFP. Attach supplemental material to document training costs, equipment and administrative costs.
3. **Company:** Please detail the following:
 - A. Company name, address, phone, fax numbers, email and website.
 1. Describe length of time company has been in operation.
 2. Size (annual revenues) and other major clients, past and present
 3. Please list any other names under which your company has operated, or been affiliated.
 4. Please stipulate that all licenses are in good standing and current.
 - B. Ownership structure
 - C. Management structure
 1. Include resumes of key management personnel.
 2. Specify the role and responsibilities of those individuals who will be directly managing this account. Indicate the amount of time that will be spent by company principal(s) in management and community/BID relations.
 - D. Prior Experience
 1. Describe experience your company has had in providing security in

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public or quasi-public locations – e.g., business improvement districts, under contract to government, patrolling public places.

- a. Job locations
- b. Contract amount and length of contract
- c. Scope of work
- d. References

2. Describe the experience your company and your officers have had in initiating citizens' arrests. Please include information about number of arrests, successful prosecutions, your company's policy and how your officers are trained in this area.

3. Describe and provide examples of your company's working relationship with the Los Angeles Police Department.

4. Human Resources

The contractor understands that the HEDPOA will have the right to request that any of contractor's personnel receive remedial training and or/be removed from the BID upon request.

Further, all personnel assigned to the Hollywood Entertainment District shall be cleared and licensed by the Los Angeles Police Commission and any other appropriate governmental agencies. Contractor will bear all costs associated with seeking appropriate permits for its personnel. Contractor's personnel shall be free from any felony convictions.

- A. Are your personnel independent contractors or employees? Are all eligible to work in U.S.
- B. Rate of turnover for your personnel.
- C. Explain your recruitment strategy. What are your pre-hire screening and testing procedures?
- D. Do you provide random drug testing before and after hiring?
- E. What are your hiring and termination policies? What are your minimum qualifications for hiring?
- F. What role do you see the HEDPOA playing in the hiring and termination of your personnel?
- G. Explain the benefits package you provide your personnel. Indicate whether this is included in the hourly rate.
- H. How will you handle temporary vacancies due to illness, vacation, court time or termination?
- I. How will you monitor and evaluate the performance of your personnel?

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Hollywood Entertainment District POA
September 12, 2003

5. Insurance

The successful contractor will be required to carry the following insurance from an A-rated company, admitted in California and acceptable to the board of directors for the HEDPOA. Further, the contractor shall name the HEDPOA, its officers, directors and employees as additional insured.

A. **Worker's Compensation:** To the extent required by law, Statutory Workers' Compensation and Employer's Liability insurance with a limit of not less than One Million Dollars (\$1,000,000). Provider will cause its Workers' Compensation carrier to waive insurer's right of subrogation with respect to HEDPOA, its officers, directors, agents and employees.

B. **Commercial Liability Insurance (and/or Excess Umbrella Liability):** Written on an occurrence basis with a combined single limit for Bodily Injury, Personal Injury, and Property Damage of not less than Three Million Dollars (\$3,000,000) per occurrence and Four Million Dollars (\$4,000,000) aggregate. The policy must be written on the CGOO1 11/85 or newer occurrence form or broader, with no additional exclusions. The policy will include coverage for Blanket Contractual Liability, Personal Injury, and Broad Form Property Damage or its equivalent. Personal Injury endorsement shall also include coverage for false arrest, false imprisonment, malicious prosecution, wrongful entry/eviction of a person from a premises, invasion of privacy, defamation of character, libel or slander caused by any acts of the Contractor or the Contractor's employees, embarrassment, humiliation, harassment, and mental anguish.

C. **Business Automobile Liability Coverage and/or Excess Umbrella Liability** for all owned, hired or non-owned vehicles utilized by Contractor with a combined single limit of not less than One Million Dollars (\$1,000,000) for each occurrence for Bodily Injury and Property Damage.

D. **Employee Dishonesty Coverage**

6. Additional Issues

Please respond to the following questions:

a. How does this contract to provide security services in the public right-of-way differ from your other security contracts? What changes or additions to your normal procedures and policies will be necessary in order to successfully perform under this contract?

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b. In order to address the perception of safety in Hollywood, your officers will be called upon to deal with issues of homelessness, panhandling, urinating in public and other unacceptable public behavior. What is your understanding of the current law in these areas and what would be your approach to these issues?

c. Have you or your company been sued for any reason in relation to the provision of security services in a public or quasi-public setting? Please describe the outcome of the lawsuit(s).

d. Based upon your knowledge of Hollywood, the BID area, and the security business, are there recommendations you would like to make as to how we might promote the public safety objectives of our BID? Please describe ideas and alternatives (e.g., video surveillance, bicycle patrols, unarmed ambassadors, etc.) you might want to bring to our attention, for our consideration either now, or at some point in the future.

Each proposal shall be evaluated based upon all information gathered in Section

Section Eight: Evaluation Process

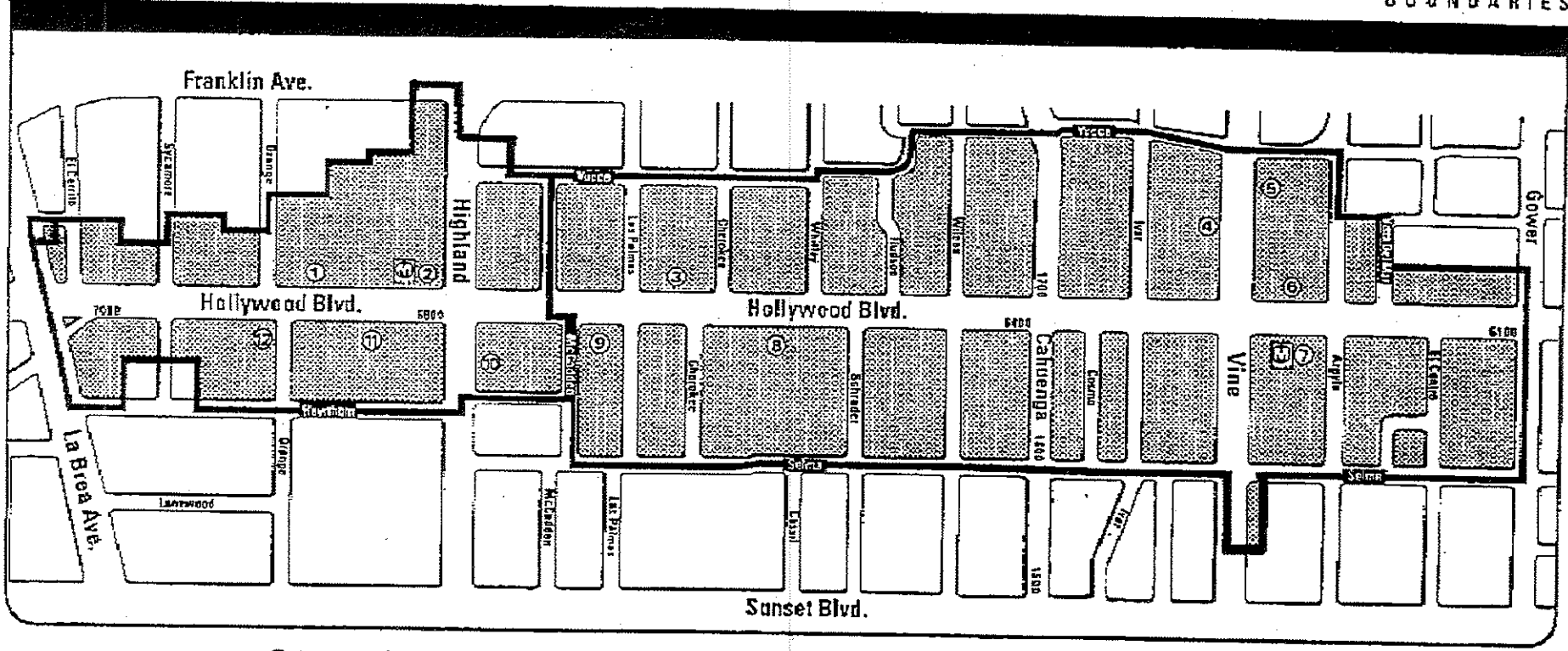
Seven. The overall cost of providing security services will be one element in the evaluation process. However, cost will not be the only factor used to evaluate proposals and select a contractor.

The Security Committee, and ultimately the Board of Directors for the HEDPOA, will hire a contractor who understands the mission of the HEDPOA, the objectives of the program as described in Section Five, and has designed a program that addresses the unique characteristics and challenges associated with providing security services in the public right-of-way. The Security Committee is interested in exploring innovative approaches toward security in the Hollywood Entertainment District that will address the unique characteristics of this area.

The Committee will review all proposals, and will invite in for an interview a subset of the companies that submit proposals. A recommendation will be made to the Board of Directors of the HEDPOA who will make the final decision.

Hollywood Entertainment District 2004 - 2008

BOUNDARIES



Points of Reference:

- ① Mann's Chinese Theatre
- ② The Palace
- ③ Metro Vine Station
- ④ Max Factor Building
- ⑤ Metro Highland Station & TrizecHahn Project
- ⑥ Capitol Records
- ⑦ Frederick's of Hollywood
- ⑧ El Capitan Theatre
- ⑨ Musso & Frank Grill
- ⑩ Pantages Theatre
- ⑪ Egyptian Theatre
- ⑫ Hollywood Roosevelt Hotel

- Zone ① Hollywood Blvd. from La Brea to Gower.
Vine St. from Yucca to Selma
- Zone ② Highland Ave. from Franklin (SW corner) and
from Yucca (NE corner) to Hawthorn.
Cahuenga Blvd. from Yucca to Selma.
Ivar Ave. south of Hollywood Blvd. to Selma

- Zone ③ Sycamore, Orange, McCadden, Las Palmas,
Cherokee, Whitley, Schrader, Wilcox, Ivar Ave.
north of Hollywood Blvd. (to Yucca), Argyle,
El Centro
- Zone ④ La Brea, El Cerrito, Hawthorn, Gower, Yucca,
Cosmo, Selma, Vista Del Mar, and Hudson
- Zone ⑤ SE corner of Selma and Vine

1 Dennis A. Winston (State Bar No. 68049)
 Barbara S. Blinderman (State Bar No. 75856)
 2 **MOSKOWITZ, BRESTOFF, WINSTON**
 & **BLINDERMAN LLP**
 3 1880 Century Park East, Suite 350
 Los Angeles, California 90067
 4 (310) 785-0550
 (310) 785-0880 (Fax)
 5

6 Attorneys for Plaintiff Aaron Epstein

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 8
 9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
 10 FOR THE COUNTY OF LOS ANGELES
 11

12 AARON EPSTEIN,

13 Plaintiff,

14 v.

15 HOLLYWOOD ENTERTAINMENT
 DISTRICT II BUSINESS
 16 IMPROVEMENT DISTRICT;
 HOLLYWOOD ENTERTAINMENT
 17 DISTRICT PROPERTY OWNERS
 ASSOCIATION, a California Nonprofit
 18 Public Benefit Corporation; THE CITY OF
 LOS ANGELES and DOES 1 through 10,
 19

20 Defendants.

Case No. BC 207 337

21
 22 }
 23 } **STIPULATION AND [PROPOSED]**
 24 } **ORDER RE PRELIMINARY**
 25 } **INJUNCTION**
 26 }
 27 }
 28 }

23 Pursuant to the decision of the Court of Appeal in *Epstein v. Hollywood*
 24 *Entertainment District II Business Improvement District* (2001) 87 Cal.App.4th 862, Plaintiff
 25 AARON EPSTEIN and Defendants HOLLYWOOD ENTERTAINMENT DISTRICT II
 26 BUSINESS IMPROVEMENT DISTRICT ("Hollywood II BID"); HOLLYWOOD
 27
 28

1 ENTERTAINMENT DISTRICT PROPERTY OWNERS ASSOCIATION ("Hollywood
2 POA"), a California Nonprofit Public Benefit Corporation; and THE CITY OF LOS
3 ANGELES ("City") hereby stipulate as follows:
4

5 RECITAL
6

7 A. All parties agree that any effect of this Stipulation shall not be binding
8 upon the City of Los Angeles beyond its application to the parties and time periods specified.
9

10 STIPULATION
11

12 1. Plaintiff's motion for an injunction is GRANTED, and the parties agree
13 that said injunction shall be as follows:
14

15 (A) Defendants Hollywood II BID and the Hollywood POA are
16 enjoined from conducting business or holding meetings of the Hollywood POA Board of
17 Directors unless such meetings are conducted in accordance with the provisions of the
18 Ralph M. Brown Act (Government Code § 54950, *et seq.*) applicable to "legislative bodies"
19 as defined in Government Code § 54952(c)(1)(A); and
20

21 (B) The Board of Directors of the Hollywood POA ("the Board")
22 shall obtain competitive bids on contracts and service agreements in the interests of efficient
23 utilization of property owner assessment revenue. The competitive bid process must include
24 the following procedures: (i) Bids from at least three qualified vendors will be solicited,
25 however, if less than three bids are formally submitted, this requirement will be deemed to
26 have been satisfied. The Board is not required to accept the bid submitted by the lowest
27

1 bidder. The Board will be guided by a commitment to seek quality service providers at
2 competitive rates. (ii) The competitive bidding procedures shall apply to contracts in excess
3 of \$30,000, and one-time services in excess of \$10,000. These amounts may be adjusted in
4 direct proportion to fluctuations in the Consumer Price Index that is in place as of January
5 2002. (iii) In order to avoid interruptions in service delivery to property owners and to
6 minimize administrative burdens, no more than one contract or service agreement shall be
7 subject to the competitive bidding process at any given time, provided that there be no more
8 than a 90 day delay before seeking bids on a contract for another service. In addition, the
9 Board shall make reasonable efforts to establish staggered ending periods for such contracts.

10
11
12 2. Paragraph 1(A) of this injunction shall remain in effect until the
13 effective date of Assembly Bill 1021, passed by the California Legislature in 2001 ("AB
14 1021"), which (among other provisions) amends portions of the Streets & Highways Code,
15 particularly as applied to private corporations that contract with a legislative body to operate
16 a Business Improvement District. At the point in time that AB 1021 goes into effect,
17 Paragraph 1(A) of this injunction shall dissolve automatically without any further action
18 being taken by the parties hereto or the Court. Paragraph 1(B) of this injunction shall
19 dissolve upon the termination of the Hollywood Entertainment District Property Business
20 Improvement District, which, pursuant to Ordinance No. 174250, will occur as of December
21 31, 2003. This dissolution also will occur automatically without the need for any further
22 action by the parties or the Court. Defendants may bring a motion in this Court at any time to
23 terminate or modify this injunction based on the enactment of other legislation pertinent to
24 Business Improvement Districts or for other good cause.

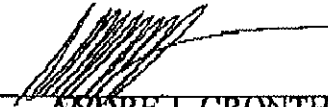
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3. Defendants shall pay the sum of \$85,000 to plaintiff Aaron Epstein, which sum reflects attorney's fees and costs incurred by plaintiff to obtain this Stipulation and Order.

IT IS SO STIPULATED.


Dated: November 15, 2001

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

By 
ANDRE J. CRONTHALL,
Attorneys for Defendants
HOLLYWOOD ENTERTAINMENT DISTRICT II
BUSINESS IMPROVEMENT DISTRICT
and HOLLYWOOD ENTERTAINMENT
DISTRICT PROPERTY OWNERS ASSOCIATION

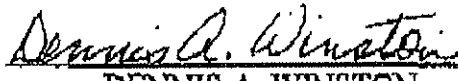
Dated: November 14, 2001

OFFICE OF THE CITY ATTORNEY

By 
SUSAN PFANN
Attorneys for Defendant
CITY OF LOS ANGELES

Dated: November 8, 2001

MOSEKOWITZ, BRESTOFF, WINSTON &
BLINDERMAN LLP

By 
DENNIS A. WINSTON
Attorneys for Plaintiff
AARON EPSTEIN

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The Court having reviewed the proposed stipulation and finding it to be in the interest of justice, the above-enumerated stipulation is HEREBY ADOPTED AS THE JUDGMENT OF THIS COURT.

Dated: _____

JUDGE OF THE SUPERIOR COURT