



# COUNTY OF LOS ANGELES WORKFORCE DEVELOPMENT, AGING AND COMMUNITY SERVICES



## WORKFORCE DEVELOPMENT PROGRAMS DIRECTIVE

DATE: February 27, 2018

NUMBER: WDP D17-02

### ONE-STOP OPERATOR FACILITIES LEASE AND COST REIMBURSEMENT POLICY AND PROCEDURES PROGRAM YEAR (PY) 2017-18

#### EXECUTIVE SUMMARY

County of Los Angeles Workforce Development, Aging and Community Services (County) through procurement of Los Angeles County One Stop Operator (OSO) for America's Job Centers of California (AJCCs) is taking the lead in identifying sites and entering into leases, to the extent feasible. County may, under certain circumstances, consider OSO input on where sites are located and the lease negotiations of those sites, or require the OSO to be the master lease holder on a case by case basis. This directive sets forth the policy and procedures of such master lease agreements held by OSO AJCCs.

#### REFERENCES

- **2 CFR PART 200 – UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS – SECTIONS 200.310 – 200.316, 200.439, 200.446, 200.452, 200.465, 200.470 AND 200.471**
- **WORKFORCE INNOVATION AND OPPORTUNITY ACT SECTION 121**
- **WORKFORCE INNOVATION AND OPPORTUNITY ACT REGULATIONS, DEPARTMENT OF LABOR FINAL RULE - 20 CFR 678.700 – ONE-STOP INFRASTRUCTURE COSTS**
- **LOS ANGELES COUNTY ONE STOP OPERATOR FOR THE AMERICA'S JOB CENTERS OF CALIFORNIA (AJCCs) SUBAWARD, SUBAWARD PERIOD JULY 2017 - JUNE 2020, EXHIBIT A1 - WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA) TITLE I ADULT AND DISLOCATED WORKER PROGRAM STATEMENT OF WORK**

#### BACKGROUND

County, at its sole discretion, may utilize various methods of establishing appropriate AJCC sites including, but not limited to, direct leases, utilizing subleases or assigned leases, or reimbursing an OSO to utilize a lease they have entered into to obtain a site.

LA County OSO AJCCs acknowledge that County may require the OSO to directly enter into a lease with a property owner for a Comprehensive AJCC and its associated Affiliate, or AJCC. The OSO will be required to work with County to ensure that the leased site meets all of the operational, geographical access, and fiscal goals required by County for a Comprehensive AJCC and associated Affiliate, or AJCC.

County approved OSO lease and base utilities costs will be paid by County on a cost reimbursement basis and shall be independent of the funding allocation and budget for operation of the Comprehensive AJCC and associated Affiliate, or AJCC, contingent upon availability of funds.

## **POLICY AND PROCEDURES**

---

LA County OSOs that directly enter into a new lease for a County-funded Comprehensive AJCC, its associated Affiliate, or AJCC must adhere to the following:

- 1) LA County OSOs that enter into lease negotiations with their landlord shall inform the County of the date and time of any lease negotiation meetings before they occur and expect that the County may be present during the meeting. This requirement also holds true when meeting on sublease negotiations with the State of California Employment Development Department (EDD) or any other Partner entity.
- 2) LA County OSOs shall ensure the terms of the master lease allow for reassignment of the lease to County under circumstances in which the OSO is no longer funded by County as the operator.
- 3) Certain infrastructure costs of base monthly utilities of water, electricity, gas and internet (it is our expectation that all telephone systems and fax machines will be on Voice Over Internet Protocol (VOIP) if there is a VOIP fee charged above your internet fee, that will also be considered a base utility) not included in the lease terms will either be directly paid by County or reimbursed to the OSO. It is the Counties preference to have master leases for that AJCC's that include as many basic utilities as possible.
- 4) Under WIOA, each of the required partners must contribute a portion of their funds toward maintaining the AJCC system [WIOA Section 121(b)(1)], such resource sharing costs need to be reported and all space allocated for on-site partners must be covered by a separate sublease agreement independently by partner. **County will only cover the allocable share of County-funded staff portion of lease and base utilities costs ONLY for approved Comprehensive AJCCs, its Affiliates, and AJCCs.**
- 5) The terms of the lease shall include limits on occupancy clearly specifying that the tenants of the site are those only approved by County. The OSO shall not move in

occupants without prior written approval. All additional tenants, or additional programs operated at the AJCC by the OSO, must pay their fair share of infrastructure costs.

- 6) Lease termination clause(s) shall not hold County liable for conduct of tenant leading to cause of termination or eviction due to violation of lease terms and conditions. Such termination clause(s) shall include ninety (90) day notification to County.
- 7) LA County OSOs shall make certain that adherence to applicable sections of Uniform Guidance regarding Property standards; Equipment and other capital expenditures; Idle facilities and idle capacity; Maintenance and repair costs; Rental costs of real property and equipment, Taxes (including Value-Added Tax), and Termination costs are ensured when procuring a site and preparing a lease agreement.
- 8) Any new lease shall be approved by County prior to final execution of the lease.
- 9) Upon County approval, and subsequent execution of the lease agreement, OSO shall submit a final signed copy of the lease to County within two (2) business days of execution via email at [wioaops@wdacs.lacounty.gov](mailto:wioaops@wdacs.lacounty.gov).
- 10) OSO is required to submit a *Lease and Base Utilities Cost Sheet* (attachment 1) per Comprehensive AJCC and/or Affiliate or AJCC indicating all applicable costs, which includes the following information:
  - a. Amount of rent, when rent is due, and payment method;
  - b. Total square footage of the site and cost per square foot;
  - c. Amount of utilities and other detailed costs attributed to the cost of rent, as indicated in the lease agreement. ***Note that this may include items outside base utilities, so that a proper determination can be made as to the amount of the total lease and associated infrastructure costs the County will cover through the request, as it applies to rent and base utilities only;*** and
  - d. Names of all organizations/partner programs occupying the site, including the square footage of each resident partner and the amount of rent paid by that partner for both dedicated and common space usage.

OSO shall submit a separate *Lease and Base Utilities Cost Sheet* for each Comprehensive AJCC, Affiliate, or AJCC location operated by OSO under County Subaward.

- 11) The *Lease and Base Utilities Cost Sheet* must be approved by County. Funds will be added to the OSO's Subaward only after approval, and based on funding availability.

- 12) OSO shall submit a copy of the executed lease agreement, all subleases, and any applicable supplemental documents such as, cost allocation plan, base utility bills used to support average costs, etc. as attachments to the *Lease and Base Utilities Cost Sheet*.
- 13) Any changes to infrastructure cost allocation, covered under this directive must be followed with an updated *Lease and Base Utilities Cost Sheet* within ten (10) business days of when the change(s) occur.

## **ACTION**

---

OSOs requesting funds for lease and related allowable costs from County shall complete the attached *Lease and Base Utilities Cost Sheet* and submit it, along with a copy of the executed lease agreement, any and all applicable subleases, cost allocation plan, base utility bills used to establish average, etc., and other applicable supplemental documents, to the County via email at [wioaops@wdacs.lacounty.gov](mailto:wioaops@wdacs.lacounty.gov).

Los Angeles County OSOs shall ensure that the requirements described herein are communicated throughout the operations, management and governance structure of the agency's organization and that this Directive is appropriately maintained until further notice.

## **INQUIRIES**

---

Inquiries regarding this directive and the policies and procedures described herein should be directed to [wioaops@wdacs.lacounty.gov](mailto:wioaops@wdacs.lacounty.gov).



---

**Irene Pelayo, Program Manager  
Workforce and Community Services Branch**

Attachments:

1. *Lease and Base Utilities Cost Sheet*