



## County of Los Angeles CHIEF EXECUTIVE OFFICE OPERATIONS CLUSTER

SACHI A. HAMAI  
Interim Chief Executive Officer

**DATE:** February 12, 2015  
**TIME:** 1:00 p.m.  
**LOCATION:** Kenneth Hahn Hall of Administration, Room 830

### AGENDA

Members of the Public may address the Operations Cluster on any agenda item by submitting a written request prior to the meeting.  
Three (3) minutes are allowed for each item.

1. Call to order – Gevork Simdjian
  - A) **Board Letter – APPROVE QUALITY ASSURANCE SERVICE AGREEMENT WITH FIRST DATA GOVERNMENT SOLUTIONS, LP FOR THE LOS ANGELES ELIGIBILITY, AUTOMATION DETERMINATION, EVALUATION AND REPORTING (LEADER) REPLACEMENT SYSTEM (LRS)**  
DPSS/CIO – Sheryl L. Spiller and Richard Sanchez or designee(s)
  - B) **Board Letter – AUTHORIZE THE CIO TO EXECUTE ONE WORK ORDER WITH EMC CORPORATION, INC FOR SOFTWARE DEVELOPMENT AND IMPLEMENTATION SERVICES FOR THE MEDICAL EXAMINER-CORONER'S ELECTRONIC CASE FILE SYSTEM PROJECT**  
CME-Coroner/CIO – Mark A. Fajardo, M.D. and Richard Sanchez or designee(s)
  - C) **Board Letter – IMPLEMENT THE COUNTY'S RESIDENTIAL PROPERTY ASSESSED CLEAN ENERGY (PACE) FINANCING PROGRAM AND AUTHORIZE AND EXECUTE CONTRACTS FOR TWO PROGRAM ADMINISTRATORS**  
ISD – Dave Chittenden or designee(s)
  - D) **Board Letter – DELEGATION OF AUTHORITY TO INVEST AND ANNUAL ADOPTION OF THE TREASURER AND TAX COLLECTOR INVESTMENT POLICY**  
Joe Kelly or designee(s)
  - E) **Enterprise IT Initiatives Update**  
CIO – Richard Sanchez or designee
2. Public Comment
3. Adjournment



County of Los Angeles  
**DEPARTMENT OF PUBLIC SOCIAL SERVICES**

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SHERYL L. SPILLER  
 Director

PHIL ANSELL  
 Chief Deputy

Board of Supervisors

HILDA L. SOLIS  
 First District

MARK RIDLEY-THOMAS  
 Second District

SHEILA KUEHL  
 Third District

DON KNABE  
 Fourth District

MICHAEL D. ANTONOVICH  
 Fifth District

March 3, 2015

The Honorable Board of Supervisors  
 County of Los Angeles  
 383 Kenneth Hahn Hall of Administration  
 500 West Temple Street  
 Los Angeles, CA 90012

Dear Supervisors:

**RECOMMENDATION TO AUTHORIZE THE EXECUTION OF A QUALITY ASSURANCE (QA) SERVICE AGREEMENT WITH FIRST DATA GOVERNMENT SOLUTIONS, LP (FIRST DATA) FOR THE LOS ANGELES ELIGIBILITY, AUTOMATION DETERMINATION, EVALUATION AND REPORTING REPLACEMENT SYSTEM (LRS) (ALL DISTRICTS - 3 VOTES)**

**SUBJECT**

This is a joint recommendation by the Department of Public Social Services (DPSS) and the Chief Information Officer (CIO) that the Board approve the Quality Assurance (QA) Service Agreement (Agreement) for the Los Angeles Eligibility, Automation Determination, Evaluation and Reporting Replacement System (LRS) Project for an initial term of thirty-six (36) months and three (3) additional one year option periods for a Total Maximum Contract Sum of \$8,854,644. This Agreement will allow for continued QA services until the LEADER Replacement System (LRS) is fully implemented Countywide.

**IT IS RECOMMENDED THAT THE BOARD:**

Approve and instruct the Mayor to sign Agreement (Attachment I) with First Data effective upon Board approval which will:

- 1) Authorize the amount of \$4,016,862 for the QA Initial Term and authorize the amount of \$3,337,782 for the three (3) years QA Extended Term for the aggregate Total Sum amount to \$7,354,644; and

- 2) Authorize a contingency pool dollar fund of \$1,500,000 for use at the County's discretion for optional work for the aggregate Total Maximum Contract Sum for the Agreement amount of \$8,854,644.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this recommended action is to allow DPSS to contract with First Data to ensure QA services are provided for detailed independent deliverable reviews, analysis and written assessments of the LRS Contractor's responsibilities for the duration of the LRS development and implementation of Consortium C-IV data migration to the LRS Project.

Consistent with industry best practices surrounding system projects of this size and complexity of LRS, a QA Contractor is required by the State and federal agencies to support the LRS project team to monitor all LRS activities, provide analysis and recommendations surrounding various system specifications and assess and support project management activities throughout the project lifecycle. QA services are currently being provided under Information Technology Support Services Master Agreement (ITSSMA) Work Orders (WOs). These WOs currently provide temporary QA services until the proposed Agreement is approved by the Board. This approval will provide continuity of QA services for the duration of the LRS development and post Implementation to ensure that LRS performance meets all the requirements specified in the LRS Agreement.

### **Implementation of Strategic Plan Goals**

These recommendations are consistent with the principles of the Countywide Strategic Plan, Goal 1: Operational Effectiveness: Maximize the effectiveness of processes, structure and operations to support timely delivery of customer-oriented and efficient public services.

### **FISCAL IMPACT/FINANCING**

#### **QA Initial Term Fiscal Years (FY 2014-17)**

The QA Initial Term Cost is \$4,016,862 with an estimated NCC of \$264,122 and the Total Cost for Pool Dollars is \$750,000 for a Maximum Contract Sum of \$4,766,862.

#### **Costs for FY 2014-15**

The estimated cost for the Contract Year 1 is \$1,339,422 with an estimated Net County Cost (NCC) of \$60,539. Funding for the Agreement Contract Year 1 is included in the Department's FY 2014-15 Final Adopted Budget.

#### **Costs for FY 2015-16**

The estimated cost for the Contract Year 2 is \$1,336,625 with an estimated NCC of \$87,260. Sufficient funding will be included in the Department's annual budget request.

**Costs for FY 2016-17**

The estimated cost for Contract Year 3 is \$1,340,815 with an estimated NCC of \$116,323. Sufficient funding will be included in the Department's annual budget request.

The Total Pool Dollar cost for the QA Initial Term Fiscal Years (FY 2014-17) is \$750,000 with an estimated NCC of \$65,066.

QA three year (3) Extended Term Fiscal Years (FY 2017-20)

The QA Extended Term Cost is \$3,337,782 with an estimated NCC of \$289,572 and the Total Cost for Pool Dollars is \$750,000 for a Maximum Contract Sum of \$4,087,782.

**Costs for FY 2017-20**

The estimated cost for each Contract Year 4 through 6 is \$1,112,594 with an estimated NCC annual cost of \$96,524 for a total QA Extended Term Cost of \$3,337,782 and NCC of \$289,572 respectively. Sufficient funding will be included in the Department's annual budget request.

The Total Pool Dollar cost for the QA Extended Term Fiscal Years (FY 2017-20) is \$750,000 with an estimated NCC of \$65,066.

The funding approval has been received from the requisite State and federal agencies.

**FACTS AND PROVISION/LEGAL REQUIREMENTS**

This Agreement will become effective upon Board approval and will continue for the Initial Term of three (3) years. At the end of the Initial Term, the Agreement may be extended, at the County's sole discretion, for up to three (3) additional one-year option periods.

The Agreement contains all applicable Board-mandated provisions, including those pertaining to consideration of hiring qualified County employees targeted for layoffs, consideration of hiring qualified Greater Avenues for Independence-General Relief Opportunities for Work participants, contractor responsibility and debarment, defaulted property tax reduction program, County's quality assurance plan, recycled bond paper, and compliance with the Jury Service Ordinance, Safely Surrendered Baby Law, and the Child Support program. In addition, First Data is required to notify the County when the agreement term is within six months from expiration and when it has reached seventy-five (75) percent of the authorized contract sum. DPSS has determined that the Agreement is not subject to: 1) the Living Wage Ordinance, 2) the Local Small Business Enterprise Preference Program, or 3) the Transitional Job Opportunities Preference Program and, therefore, has not included these provisions in the Agreement.

The Agreement also contains certain applicable information technology provisions to protect the County in the event of First Data's deficient performance and/or breach of

The Honorable Board of Supervisors

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warranties, including intellectual property indemnification, assessment of credits against maintenance for First Data's failure to correct deficiencies timely, and payment withholds.

As a result of the negotiations with the firm's executive and legal staff, and from the business model utilized by First Data in providing the requisite work under the Agreement, the parties agreed to the following modifications to the Agreement. The Agreement changes were reviewed and approved by County Counsel, and outside

Counsel and the Chief Executive Office's (CEO) Risk Management Office and are summarized below.

The following paragraph was added to Paragraph 3.3 Approval of Contractor's Staff: "In the event the LRS Contractor's work falls behind schedule as determined by COUNTY's Project Director, then COUNTY will work with CONTRACTOR to reduce CONTRACTOR's staff levels in order to ensure the QA Services will not exceed the Total Maximum Contract Sum."

The following paragraph was added to Paragraph 7.1: "In the event any Work changes or if the LRS Phases 1, 2 and 3 are extended due to delays caused by the LRS Contractor or the COUNTY in meeting the scheduled timeline, COUNTY and CONTRACTOR will work together on a mutually agreeable staffing plan that may include staff reductions as provided for in Paragraph 3.3, Approval of CONTRACTOR's staff."

The insurance provision Paragraph 16.2.7, Deductibles and Self-insurance Retentions (SIRs) was modified to include the following underlined provision:

CONTRACTOR's policies shall not obligate the COUNTY to pay any portion of any CONTRACTOR deductible or SIR. The COUNTY retains the right to require CONTRACTOR to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing CONTRACTOR's payment of all deductibles and SIRs, up to the amount of the insurance required by Section 16.3, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

This Agreement is not a Proposition A contract and is, therefore, not subject to the requirements of the Living Wage Program (County Code Chapter 2.201).

Finally, in the event that First Data, which is a limited partnership, has any change in ownership or goes public, they will provide written notification and assurances that such will not impact any of the services being provided under the Agreement with the County.

This Board Letter and associated Agreement were reviewed by the Chief Executive Office and approved as to form by County Counsel. As with the existing LRS Agreement,

The Honorable Board of Supervisors

March 3, 2015

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outside counsel, Mitchell, Silberberg & Knupp LLP, reviewed and commented on the Board Letter and Agreement.

The CEO's Risk Management Branch has reviewed and concurs with the provisions relating to insurance and indemnification and any revisions made to such as a result of the negotiations.

### **CONTRACTING PROCESS**

On May 14, 2014, DPSS released the LRS QA Request for Proposals (RFP) to solicit proposals from qualified vendors to provide QA services for the LRS Project. The QA services include performing independent deliverable reviews, analysis, written assessments and testing. Additionally, the Contractor will be serving as an independent source of information on the status of the LRS project for COUNTY, State, and federal stakeholders.

The vendor community was notified of the RFP release by:

- 1) Posting the RFP solicitation document and contracting opportunity announcement on the County's "Doing Business with Us" website and the DPSS Contracting Portal;
- 2) Releasing a notice via electronic mail to 24 vendors; and
- 3) Advertising in various newspapers.

### **Vendor Selection Process**

Nine (9) companies attended the Proposers' Conference that was conducted on June 12, 2014. By the solicitation deadline of July 30, 2014, two (2) vendors submitted proposals in response to the RFP. In keeping with standard procurement protocol, an Evaluation Committee consisting of DPSS staff from various divisions throughout the Department performed a detailed assessment and evaluation of the proposals. It was determined by the Evaluation Committee that First Data had the highest composite score and met all of the County's requirements to provide the required services.

### **IMPACT ON CURRENT SERVICES**

The execution of this Agreement will ensure continued required QA services while DPSS implements LRS Countywide.

### **CONCLUSION**

Upon the Board's approval, the Executive Officer, Board of Supervisors is requested to return three original signed copies of the Agreement and one adopted stamped Board Letter to the Director of DPSS.

Respectfully submitted,

SHERYL L. SPILLER  
Director

RICHARD SANCHEZ  
Chief Information Officer

SLS:MS:ph

Enclosures

c: Interim Chief Executive Officer  
Acting Executive Officer, Board of Supervisors  
County Counsel  
Deputy Chief Executive Officer  
Chief Information Officer

DRAFT

March 3, 2015

Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**AUTHORIZE THE CHIEF INFORMATION OFFICER TO EXECUTE ONE WORK ORDER WITH EMC CORPORATION, INC. FOR SOFTWARE DEVELOPMENT AND IMPLEMENTATION SERVICES FOR THE MEDICAL EXAMINER-CORONER'S ELECTRONIC CASE FILE SYSTEM PROJECT  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X)**

**SUBJECT**

Authorize execution of one Work Order and any necessary Change Orders at a maximum amount not to exceed \$668,000 with EMC Corporation, Inc. for the development and implementation of the Department of Medical Examiner-Coroner's Electronic Case File System (ECFS). The ECFS will provide case management, document management, and physical records functionality to better meet the Department's information management needs.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve and direct the Chief Information Officer (CIO), at the request of the Chief Medical Examiner-Coroner, to execute a Work Order for a maximum contract amount of \$668,000 under the County's Master Services Agreement (MSA) with EMC Corporation, Inc. to support the development and implementation of the ECFS. In accordance with EMC MSA guidelines, Board approval is required for Work Orders that exceed \$300,000.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Department of Medical Examiner-Coroner (DMEC) has developed a strategic roadmap for the ECFS project which identifies a total of 13 phases using professional services, hardware, and software based on EMC's Documentum technology. The first three phases of ECFS completed in September 2012. These phases were

implemented using EMC Work Orders and funded by a combination of County Information Technology Fund (ITF) and Coverdell grants, provided the base ECFS infrastructure, Specimen Tracking, and Property Management functions. Additional phases approved by the Board on March 5, 2013, enabled functionality for Evidence Management, Morgue Management, and Case Folder Management. Approval of this recommended action will enable the DMEC to complete the final phases of ECFS, providing workflow management capabilities.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The recommended actions is consistent with the principles of the Countywide Strategic Plan Goal #2: Fiscal Sustainability (Strategy 4; County Fiscal and Information Technology Management, and Cost Efficiencies), to improve the County's long-term capacity to sustain critical County services within available resources through cost-efficiency savings, leveraging IT resources, improved fiscal forecasting, and diligent monitoring.

### **FISCAL IMPACT/FINANCING**

Funding in the amount of \$668,000 for the final ECFS phase has been included in the Department's FY 2014-15 Operating Budget.

### **FISCAL AND PROVISIONAL/LEGAL REQUIREMENTS**

On July 7, 2009, your Board approved the County's EMC MSA that enables County departments to utilize MSA work orders for various professional and consulting services related to the implementation and support of Enterprise Content Management (ECM) technologies. All MSA work orders greater than \$300,000 require Board approval. The Chief Information Officer concurs with the DMEC's recommendation and the CIO Analysis is attached (Attachment A).

### **IMPACT ON CURRENT SERVICES**

Approval of the recommended action will allow the Department to complete the development of ECFS and comply with the Department's audit recommendation to replace the existing case management system. The new ECFS will provide improved security and better meet the Department's case management needs.

**CONCLUSION**

When approved, the Executive office, Board of Supervisors is requested to return the signed and approved Board Letter to:

Silvia Gonzalez, Contracts Manager  
Department of Medical Examiner-Coroner  
1104 N. Mission Road  
Los Angeles, CA 90033

Respectfully submitted,

Reviewed by:

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Mark A. Fajardo, M.D.  
Chief Medical Examiner-Coroner

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Richard Sanchez  
Chief Information Officer

MAF/slg

Attachment

c: Executive Officer, Board of Supervisors  
County Counsel



JIM JONES  
Director

County of Los Angeles  
**INTERNAL SERVICES DEPARTMENT**

1100 North Eastern Avenue  
Los Angeles, California 90063

Telephone: (323) 267-2101  
FAX: (323) 264-7135

*"To enrich lives through effective and caring service"*

March 3, 2015

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**IMPLEMENT THE COUNTY'S RESIDENTIAL  
PROPERTY ASSESSED CLEAN ENERGY (PACE) FINANCING PROGRAM  
AND AUTHORIZE AND EXECUTE CONTRACTS  
FOR TWO PROGRAM ADMINISTRATORS  
(ALL DISTRICTS - 3 VOTES)**

**SUBJECT**

The Internal Services Department (ISD) and Treasurer and Tax Collector (TTC) return to the Board as directed on August 12, 2014, to seek authority to implement the County's residential Property Assessed Clean Energy (PACE) Financing Program, and to have the Board authorize and execute contracts for two third-party program administrators.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Authorize and execute a contract for residential PACE program administrators with the following two companies:
  - a. Renovate America, Inc.; and
  - b. Renewable Funding LLC.
2. Authorize ISD and TTC to implement the residential PACE program, including issuance of PACE bonds upon receipt of a positive judgment under the Judicial Validation proceeding for the County's PACE program.
3. Delegate authority to the Director of ISD, or his designee, to authorize and execute amendments to the PACE program administration contracts, so long as such does not result in any net County cost, including those amendments for any programmatic

enhancements to address market or Federal Housing Finance Agency (FHFA) changes, the exercise of any option years, or the Contractor's merger, acquisition, or change of ownership or entity.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Per the direction from your Board on August 12, 2014, ISD, in collaboration with TTC, developed and completed a competitive solicitation for one or more residential PACE program administrators. It is recommended that your Board execute a contract with the two highest-ranking proposers to administer a residential PACE program within Los Angeles County.

### **Background**

This matter was last before your Board on August 12, 2014. At that time, ISD and TTC requested your Board to authorize the following steps necessary to implement a residential PACE program in the County:

1. Adopt a resolution authorizing the execution and delivery of a bond indenture, assessment contract and bond purchase agreement in relation to residential PACE, and authorizing the commencement of a judicial validation action;
2. Authorize ISD to release a new Request for Proposals (RFP) for one or more residential PACE program administrators;
3. Authorize ISD and TTC, in coordination with the Chief Executive Office and County Counsel, to develop a residential PACE program consistent with this Board letter; and
4. Additionally, Supervisor Yaroslavsky moved that an amendment be added to the Board Item that would accomplish the following: "...encourage all proposers to create improved financing opportunities for eligible water efficiency improvements as a component of Los Angeles County's PACE program."

The current status of each of these actions is summarized as follows:

### **Judicial Validation [No. 1]**

In accordance with Section 5989.30 of the California *Streets and Highways Code*, as amended by AB811, the levy and collection of assessments pursuant to residential PACE are valid under existing law and provide for the priority status of the PACE assessment lien.

On October 2, 2014, TTC and County Counsel, working with the County's outside bond counsel for the PACE Program (Hawkins Delafield & Wood LLP), initiated a Judicial Validation proceeding in the California State Superior Court in Los Angeles County (Court) for the County's PACE program. The anticipated judgment by the Court, addressing the validity of the

PACE assessments and confirming the priority lien status of the ensuing assessments, will be of importance to potential PACE investors and will help facilitate the future securitization of PACE bonds issued in the County.

To date, no parties have intervened in the Judicial Validation proceeding. The County's outside bond counsel understands, from recent communications with the Court Clerk, that the Judicial Validation proceeding may be completed in late March or early April, 2015. Upon receipt of a positive, final judgment from the Court, ISD and TTC will implement the residential PACE program.

### **RFP for Program Administrators [No. 2]**

On August 26, 2014, ISD issued an RFP for one or more residential PACE program administrators. Four proposals were received, evaluated, and scored. ISD, upon consultation with TTC, determined that the proposers providing the two highest-scoring proposals should be selected to enter into negotiations, as multiple administrators would facilitate a more competitive market to the benefit of property owners, using two administrators would not commensurately increase the County's internal administration, and the two highest-scoring proposals in this procurement were both rated substantially higher than the other proposals.

On December 23, 2014, negotiations were successfully concluded with the highest-ranking proposer (Renovate America), and on January 9, 2015, negotiations were successfully concluded with the second-highest ranking proposer (Renewable Funding).

The procurement process and the proposed contracts are discussed in more detail in the section titled CONTRACTING PROCESS, below.

### **Development of the PACE Program and Mitigation of Risks per the August 12, 2014 Board Letter [No. 3]**

The August 12, 2014 Board letter discussed certain aspects of residential PACE programs that posed possible risks to participating property owners. That Board letter listed in detail a number of measures to be undertaken by ISD, TTC, and County Counsel in developing the solicitation for the PACE program administrators, as well as during negotiations of the final proposed contracts with the program administrators. Some of the more significant measures integrated into the proposed contracts are briefly described as follows:

#### Homeowner Mortgage Foreclosure and Other Mortgage Risks

The proposed contracts (*Exhibit A - Statement of Work*, at Section 4.0 - FHFA Mitigation) require the program administrators to establish and use a clear response plan to address and mitigate any actions taken by the Federal Housing and Finance Authority (FHFA) against the County or property that could have adverse impacts on property owners. This response and mitigation plan is subject to the County's approval. If the administrators could not construct a

response and mitigation plan acceptable to the County, then the County could suspend the PACE program offering for any new participants.

Additionally, the proposed contracts require the program administrators to implement a loss reserve program, using County PACE program revenues to protect property owners from potential foreclosure initiated by PACE bondholders in the event the property owner misses an assessment payment.

#### Disclosure of Risks to Homeowners, Consumer Protections

The proposed contracts provide specific direction regarding language to be used in the PACE financing process which adequately discloses the potential risks and obligations of program participants. Property owners must sign a program document acknowledging the disclosures, which include: a description of the statements issued by Freddie Mac and Fannie Mae regarding possible restrictions on the purchase of mortgages with PACE assessments, and a directive for applicants to review their existing mortgage documents to determine if a PACE lien can be added to their property, and the eligibility of their mortgage to be acquired by Freddie Mac or Fannie Mae if a PACE assessment lien is included on the property.

The County's solicitation included an evaluation of each proposer's plan for consumer protection. The proposed contracts require the program administrators to develop a detailed consumer protection plan for homeowners addressing: predatory lending practices, unscrupulous contractors, and poor quality program servicing. The consumer protection plan must also include specific measures to protect seniors over 65 years of age and non-English speaking constituents among other, additional requirements.

#### **Water Efficiency Measures [No. 4]**

The proposed contracts also include requirements for: program administrators to provide consumer marketing, education/outreach regarding eligible water efficiency measures, training to qualifying contractors on water measures, and close collaboration with water utilities in the County to utilize existing water utility conservation programs and incentives.

#### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The recommended actions support County Strategic Plan Goal 1, Operational Effectiveness, by providing a program that promotes energy efficiency and conservation, and enhances health and sustainable practices in the County.

The recommended actions also support County Strategic Plan Goal 2, Community Support and Responsiveness, by providing a program that provides economic benefits to County constituents and supports greenhouse gas reductions throughout the County.

## **FISCAL IMPACT/FINANCING**

Under the proposed contracts, the third-party administrators will provide PACE Program services at no cost to the County. The administrators will receive compensation through the fees and interest rates charged to property owners who utilize the PACE Program.

The administrators are required to reimburse the County for all costs borne by the County to administer the Contract and to support the PACE Program up to one percent (1%) of the par amount of the PACE Program assessment bonds issued. County costs may include, but are not limited to, collecting and distributing the assessment, annual administrative costs incurred by the County, training of contractors, outreach to stakeholders and coordination with other energy programs administered by the County. County staff time is subject to full reimbursement by Contractor.

The County residential PACE Program will not incur any net County costs.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

### **Potential FHFA Risk**

In July 2010, the FHFA asserted that PACE assessments violated the terms of the uniform security instrument used in mortgage contracts purchased by the Federal Mortgage Agencies. This assertion has been reviewed by County Counsel and found to be accurate with respect to the uniform security instrument used in the majority of mortgage contracts within California. It is estimated that upwards of 80% of all new mortgages in California are “conforming loans” eligible for purchase by the Federal Mortgage Agencies and include terms and conditions specifically aligned with the uniform security instrument referenced by the FHFA.

The three main actions FHFA could initiate as a result of a local government, such as the County, entering into a residential PACE program are as follows:

1. Require that PACE assessments be paid in full at the time of sale or refinancing;
2. Tighten underwriting criteria in residential PACE jurisdictions; and
3. Require that the Federal Mortgage Agencies cease purchasing mortgages in residential PACE jurisdictions.

In the section above titled PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION, we discussed how the PACE program development process as well as the final proposed contracts address and mitigate risk to property owners in the context of these potential FHFA responses.

The potential conflict with FHFA over the terms of the federal uniform security instrument is a risk inherent in any new residential PACE program. It is the view of ISD, TTC, and County Counsel that such risk can be fully eliminated only through federal legislation or a change in the terms and conditions of the uniform security instrument utilized in California. By initiating a residential PACE program, the County is making a determination that the risk associated with current FHFA statements is manageable and should not threaten property owners within Los Angeles County. ISD, TTC, and County Counsel will continue to monitor the actions of both FHFA and the Federal Mortgage Agencies, and will keep your Board apprised of any new developments.

Given the latest progress of residential PACE programs throughout California, as indicated in the August 12, 2014 Board letter, ISD, TTC and County Counsel believe it is unlikely that FHFA will take any actions against property owners with residential PACE assessments. The following metrics show the continued progress of residential PACE programs in California:

- Over 300 jurisdictions (counties and cities) enrolled in one or more operating residential PACE programs;
- Over \$230 million in residential PACE bonds sold to investors;
- Nearly 50,000 residential PACE projects either approved or completed.

### **Judicial Validation**

As discussed on page 2, above, the County initiated a judicial validation proceeding on October 2, 2014, seeking a declaration that the levy and collection of assessments under the County's residential PACE program would be valid under existing law and would have the senior priority status of an assessment lien.

### **CONTRACTING PROCESS**

On August 26, 2014, ISD issued an RFP for one or more residential PACE program administrators. Four proposals were received, evaluated, and scored. ISD, upon consultation with TTC, determined that the proposers providing the two highest-scoring proposals should be selected to enter into contract negotiations.

The proposed contracts were negotiated consecutively by a team from ISD, TTC, and County Counsel. On December 23, 2014, negotiations were successfully concluded with the highest-ranking proposer (Renovate America), and on January 9, 2015, negotiations were successfully concluded and the second-highest ranking proposer (Renewable Funding).

County Counsel reviewed the Request for Proposal, including its Sample Contract, prior to release, and participated in all contract negotiations. County Counsel approved the final proposed contracts as to form.

The proposed contracts include all Board-required programmatic provisions, and are unchanged from the Sample Contract that was issued with the RFP, except as noted below.

### **Renovate America, Inc.**

The proposed contract with Renovate America is included as **Attachment 1**. All bracketed references in this discussion are to Attachment 1.

Renovate America objected to certain provisions in the Sample Agreement, and certain revisions resulted from negotiations.

The County's standard Termination for Default provision was revised to expressly reflect reciprocal rights for both parties [§ 8.43]. The County Sample Contract contains a Termination for Default provision that is unilateral and in favor of the County only. However, since each party would not be foreclosed from pursuing legal remedies for any material breach by the other party, this revision would provide Renovate America with a procedural right to terminate the agreement for the County's material breach using agreed upon contractual processes, and not otherwise reduce the County's rights.

The County's unilateral right to termination for convenience has been deleted [§ 8.42]. To address the main circumstance that could potentially cause the County to elect to terminate for convenience, the Force Majeure clause has been amended and strengthened, to expressly state that adverse FHFA action that cannot be mitigated by Renovate America would constitute a *force majeure* event and suspension of continued offering of the PACE program [§§ 8.20.1, 8.20.4].

The County added a more specific data destruction clause to address the potential use of data under the PACE program [§ 9.5].

The administrator's various indemnification obligations are now consolidated and standardized in a single, comprehensive clause [§§ 8.23.1-8.23.7].

### **Renewable Funding, LLC**

The proposed contract with Renewable Funding is included as **Attachment 2**. All bracketed references in this discussion are to Attachment 2.

Renewable Funding did not submit objections to the Sample Agreement.

The County added a more specific data destruction clause to address the potential use of data under the PACE program [§ 9.5].

The administrator's various indemnification obligations are now consolidated and standardized in a single, comprehensive clause [§§ 8.23.1-8.23.7].

**Administrative Protest**

A third proposer exercised its rights to the County's administrative protest process, but the protest was unsubstantiated and lacked merit.

**IMPACTS ON CURRENT SERVICES OR PROJECTS**

There is no impact on current services or projects provided by ISD, TTC, or County Counsel.

**CONCLUSION**

The Executive Office of the Board of Supervisors is requested to return two stamped and signed copies of each of the approved contracts to the Director of ISD.

Respectfully submitted,

INTERNAL SERVICES DEPARTMENT

TREASURER AND TAX COLLECTOR

JIM JONES  
Director

JOSEPH KELLY  
Treasurer and Tax Collector

JJ:DC:JLG:HC

Attachments (2)

c: Executive Officer, Board of Supervisor  
Chief Executive Officer  
Chief Operating Officer  
County Counsel  
Auditor Controller

March 3, 2015

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**DELEGATION OF AUTHORITY TO INVEST AND  
ANNUAL ADOPTION OF THE TREASURER AND TAX COLLECTOR  
INVESTMENT POLICY  
(ALL DISTRICTS) (3-VOTES)**

**SUBJECT**

Delegation of authority to invest and annual adoption of the Treasurer and Tax Collector Investment Policy.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Delegate the authority to invest and reinvest County funds and funds of other depositors in the County Treasury, to the Treasurer.
2. Adopt the attached Treasurer and Tax Collector Investment Policy (Investment Policy).

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The requested actions are required by the California Government Code (Government Code) to permit the Treasurer to invest County funds and funds of other depositors in the County Treasury (Treasury Pool) pursuant to the Investment Policy. Government Code Section 53646 permits your Board to approve the Investment Policy on an annual basis.

We revised the Investment Policy approved by your Board on June 17, 2014, as follows:

The Broker/Dealer Section was updated to require a Broker/Dealer to be a member of the Financial Industry Regulatory Authority (FINRA), instead of the National Association of Securities Dealers (NASD). FINRA is the successor agency to the NASD.

The Broker/Dealer emerging firm requirements were also updated. The capitalization requirement was clarified to be at the time of application, and the minimum capitalization was increased from \$200,000 to \$250,000. The maximum capitalization was increased from \$5 million to \$10 million.

Honorable Board of Supervisors  
March 3, 2015  
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The capitalization requirements were last updated in 2001. The increase in maximum capitalization will expand the pool of eligible emerging firms that will qualify for the program.

We added Supranationals as a new permitted investment, in accordance with the changes made to Government Code Section 53601(q), effective on January 1, 2015.

In addition, we updated Attachment II, Limitation Calculation for Intermediate-Term, Medium-Term and Long-Term Holdings, to reflect the latest three calendar years' balances.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

This Investment Policy is in accordance with the Countywide Strategic Plan Goal #1: Operational Effectiveness/Fiscal Sustainability with regard to investing County funds and funds of other depositors in the County Treasury.

### **FISCAL IMPACT/FINANCING**

There is no fiscal impact from this action.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Government Code Section 27000.1 provides that your Board may annually delegate the authority to invest and reinvest funds of the County and funds of other depositors in the County Treasury to the Treasurer.

Government Code Section 53646 permits the Treasurer to render annually to your Board a statement of Investment Policy, to be reviewed and approved at a public meeting. This Government Code Section also requires that any change in the Investment Policy also be submitted to your Board for review and approval at a public hearing.

### **IMPACT ON CURRENT SERVICES**

There is no impact on current services.

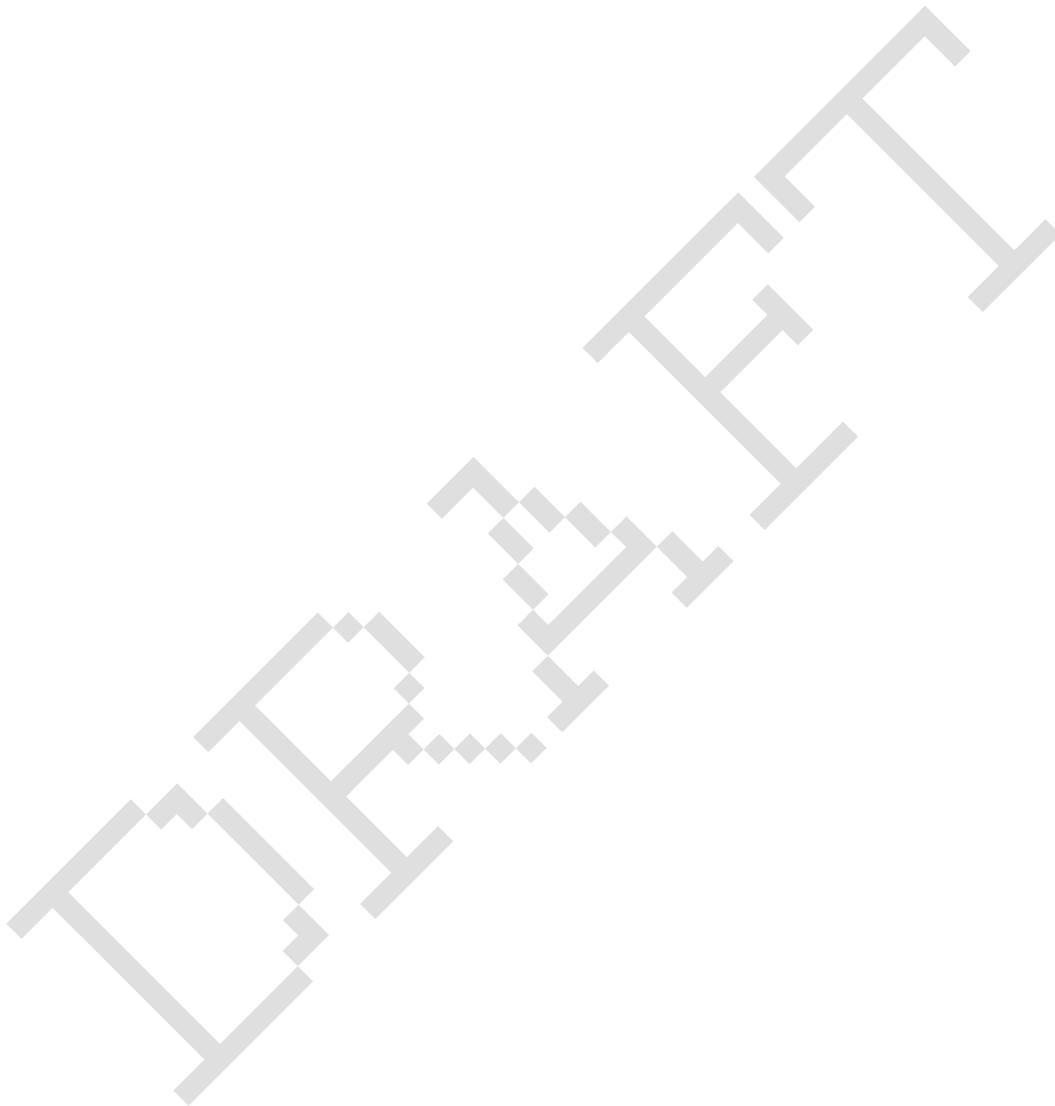
Respectfully submitted,

JOSEPH KELLY  
Treasurer and Tax Collector

JK:NI:rkw

Attachments

c: Interim Chief Executive Officer  
Acting Executive Officer, Board of Supervisors  
County Counsel  
Auditor-Controller





## ENTERPRISE INITIATIVES HIGHLIGHTS

### 1. **Managed Print Services:**

- ✓ Overall progress: 6 department completed to date, 1,780 MPS printers deployed, 3,193 MPS printers in deployment, and 13,000 printers replaced/being replaced.
- ✓ Projected \$6.9 million annual cost savings/cost avoidance based on completed designs and deployment.
- ✓ Five deployments completed: Consumer Affairs, DCFS Wateridge, MLK, High Desert Hospital Phase I, and Harbor UCLA Phase I.
- ✓ Seven designs completed: Animal Care & Control, Assessor, Child Support Service Phase I, Medical Examiner-Coroner, Public Works Phase I, Registrar-Recorder and Sheriff Patrol
- ✓ 6 bids issued in January for 871 printers.
- ✓ 4 bids planned to be issued in February for up to 500 printers.

### 2. **Office 365 Implementation:**

- ✓ Two departments remaining to be migrated to centralized email.
- ✓ Pilot for ISD-hosted centralized email to begin pilot in progress with migrations planned to begin in March.
- ✓ Sheriff and District Attorney will begin pilots schedule for mid-February.

### 3. **Workstation Encryption:**

- ✓ Overall progress: 36,732 out of 100,644 (36.5%) completed
- ✓ Departments are using one of the following encryption solutions:
  - Symantec @ 18.06 /year (75% discount)
  - McAfee @ \$9.88 / year (90% discount)
  - WinMagic @ \$18.75 / year (65% discount)
  - Microsoft Bitlocker at no additional cost for departments that have Windows Enterprise Agreement
- ✓ 20 departments have existing encryption software licenses. Remaining departments are procuring software encryption licenses and are using available funding in their current operating budget to procure software licenses.

### 4. **Data Center Assessment and Consolidation:**

- ✓ Assessment of 49 data centers completed.
- ✓ Assessment reports being validated by department CIOs
- ✓ Development of future state requirements and governance for consolidated data center in progress.

## ENTERPRISE IT INITIATIVES DASHBOARD BY DEPARTMENT

| Department                | Managed Print Services<br>(Target completion - Dec 2016)                                                             | Office 365 Implementation<br>(Target completion – June 2015)                                                         | Desktop Encryption<br>(Target completion - June 2015)                                                                                                                   |
|---------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ag. Commissioner          | Printer deployment in progress<br>(91 -> 39 printers)<br>Est. savings – 40%<br>@\$48k/year<br>Dept. PM: Scott Hunter | Pilot: 2/24/15*<br>3-year email retention*<br>Dept PM: ISD                                                           | Number of workstations: 250<br>Workstations encrypted: 0<br>Procuring software licenses<br>Platform: Symantec<br>Est. cost: \$4K<br>Dept. PM: Scott Hunter              |
| Alternate Public Defender | Design in review*<br>(134 -> 128 printers)<br>Est. savings – 5% @<br>\$5k/year<br>Dept. PM: Jordan Yerian            | Pilot: 2/24/15*<br>7-year email retention*<br>Dept PM: ISD                                                           | Number of workstations: 325<br>Workstations completed: 0<br>Final testing in progress<br>Platform: McAfee<br>Est. cost: \$0.00<br>Dept. PM: Jordan Yerian               |
| Animal Care & Control     | Bid in progress*<br>(101 -> 48 printers)<br>Est. savings – 69% @<br>\$198k/year<br>Dept PM: Roberto Ignacio          | Pilot: 2/24/15*<br>3-year email retention*<br>Dept PM: ISD                                                           | Number of workstations: 227<br>Workstations completed: 0<br>Pending ISD IT Shared Services<br>Platform: McAfee<br>Est. cost: \$0.00<br>Dept. PM: ISD/IT Shared Services |
| Assessor                  | Bid in progress*<br>(561 -> 269 printers)<br>Est. savings – 42% @<br>\$298k/year<br>Dept PM: Jet Krantz              | Pilot: 2/18/15*<br>No email retention*<br>Dept PM: ISD                                                               | Number of workstations: 2,081<br>Workstations completed: 0<br>Procuring software licenses<br>Platform: Symantec<br>Est. cost: \$32K<br>Dept. PM: Jet Krantz             |
| Auditor-Controller        | Completed<br>(150 -> 85 printers)<br>44% savings @ \$90k/year<br>Dept. PM: Jon Neill                                 | Pilot: 2/24/15*<br>3-year email retention (non-HIPAA users)*<br>7-year email retention (HIPAA users)<br>Dept PM: ISD | Number of workstations: 303<br>Workstations completed: 6<br>Platform: MS Bitlocker<br>Est. cost: \$0.00<br>Dept. PM: Jon Neill                                          |
| Beaches & Harbors         | Completed<br>(85 -> 61 printers)<br>26% savings@ \$77k/year<br>Dept. PM: Kevin Fountain                              | Pilot: 2/24/15*<br>No email retention*<br>Dept PM: ISD                                                               | Number of workstations: 157<br>Workstations completed: 0<br>Platform: McAfee<br>Est. cost: \$0.00<br>Dept. PM: ISD/IT Shared Services                                   |

| Department               | Managed Print Services<br>(Target completion - Dec 2016)                                                                                                                                                        | Office 365 Implementation<br>(Target completion – June 2015) | Desktop Encryption<br>(Target completion - June 2015)                                                                                                                                         |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chief Executive Office   | Completed<br>(212 -> 129 printers)<br>42% savings @ \$118k/year<br>Dept. PM: Dean Aardema                                                                                                                       | Pilot: 2/24/15*<br>No email retention*<br>Dept PM: ISD       | Number of workstations: 625<br>Workstations completed: 0<br>Final testing in progress<br>Platform: MS Bitlocker<br>Est cost: \$.0.00<br>Dept. PM: Denny Sunabe                                |
| Chief Information Office | Completed<br>(8 -> 3 printers)<br>69% savings @ \$19k/year<br>Dept. PM: John Arnstein                                                                                                                           | Pilot: 2/24/15*<br>3-year email retention*<br>Dept PM: ISD   | Number of workstations: 23<br>Workstations completed: 0<br>Platform: McAfee<br>Estimated cost: \$0.00<br>Dept. PM: ISD/IT Shared Services                                                     |
| Child Support Services   | Phase 1 bid in progress*<br>(395 -> 147 printers)<br>Est. savings – 16% @ \$44k/year<br>Dept. PM: Brian Bowden                                                                                                  | Pilot: 2/24/15*<br>Email retention pending*<br>Dept. PM: ISD | Number of workstations: 2,000<br>Workstations completed: 0<br>Procuring software licenses<br>Platform: MS Bitlocker<br>Est cost. \$8k (for 200 additional licenses)<br>Dept. PM: Brian Bowden |
| Children & Family Svcs   | Wateridge printer deployment completed*<br>(39 -> 27 printers)<br>Est. savings - TBD<br>Design for remainder of dept on hold till 2016 due to existing leases*<br>Est. 1,295 printers<br>Dept. PM: Nadeem Ahmad | Pilot: 2/24/15*<br>3-year email retention*<br>Dept PM: ISD   | Number of workstations: 717<br>Workstations completed: 0<br>Platform: McAfee<br>Estimated cost: \$0.00<br>Dept. PM: ISD/IT Shared Services                                                    |
| Community & Senior Svcs  | Inventory in progress<br>Est. 328 printers<br>Dept. PM: Mike Agostinelli                                                                                                                                        | Pilot: 2/18/15*<br>Email retention pending*<br>Dept PM: ISD  | Number of workstations: 323<br>Workstations completed: 0<br>Platform: McAfee<br>Estimated cost: \$0.00<br>Dept. PM: ISD/IT Shared Services                                                    |
| Consumer Affairs         | Completed*<br>(39 -> 24 printers)<br>41% savings @ \$20k/year<br>Dept. PM: Kirk Shelton                                                                                                                         | Pilot: 2/24/15*<br>3-year email retention*<br>Dept PM: ISD   | Number of workstations: 78<br>Workstations completed: 0<br>Platform: McAfee<br>Estimated cost: \$0.00<br>Dept. PM: ISD/IT Shared Services                                                     |

\* Denotes updates from prior reporting period

| Department                    | Managed Print Services<br>(Target completion - Dec 2016)                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Office 365 Implementation<br>(Target completion – June 2015)              | Desktop Encryption<br>(Target completion - June 2015)                                                                                                             |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Medical Examiner -<br>Coroner | Bid in progress*<br>(99 ->55 printers)<br>Est. savings – 43% @<br>\$59k/year<br>Dept PM: Brian Cosgrove                                                                                                                                                                                                                                                                                                                                                                                                                       | Pilot: 2/24/15*<br>3-year email retention*<br>Dept PM: ISD                | Number of workstations: 137<br>Workstations completed: 0<br>Platform: McAfee<br>Estimated cost: \$0.00<br>Dept. PM: ISD/IT Shared<br>Services                     |
| County Counsel                | Kick-off completed<br>Est. 480 printers<br>Dept PM: Larry Hafetz                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Pending completion of<br>migration to CES<br>Dept. PM: ISD                | Number of workstations: 570<br>Workstations completed: 541<br>Platform: McAfee<br>Est. cost: \$2k<br>Dept. PM: Mathew Durr                                        |
| District Attorney             | Phase 1 printer deployment<br>in progress (71 printers)<br>(1,741 -> 788 printers)<br>Est. savings – 38%<br>@\$591k/year<br>Dept. PM: Todd Pelkey                                                                                                                                                                                                                                                                                                                                                                             | Pilot: February 2015*<br>Email retention pending*<br>Dept PM: Todd Pelkey | Completed*<br>Number of workstations: 1,160<br>Workstations completed: 1,160<br>Solution: MS Bitlocker<br>Est. Cost: \$0.00<br>Dept. PM: Todd Pelkey              |
| Fire                          | Phase 1 printer deployment<br>in progress (27 printers)*<br>Phase 2 design in progress<br>Est. 1,257 printers<br>Dept. PM: Vic Mesrobian                                                                                                                                                                                                                                                                                                                                                                                      | Pending completion of<br>migration to CES<br>Dept. PM: Rob Sawyer         | Number of workstations: 2,097<br>Workstations completed: 26<br>Platform: MS Bitlocker<br>Est. cost: \$0.00<br>Dept. PM: Rob Sawyer                                |
| Health Services               | <u>High Desert</u> Phase 1<br>deployment completed*,<br>Phase 2 deployment in<br>progress*<br>(523 -> 109 printers)<br>Est. savings – 37% @<br>\$90k/year<br><u>MLK</u> printer deployment<br>completed*<br>(759 -> 281 printers)<br>Est. savings – 53% @<br>\$425K/year<br><u>Harbor UCLA</u> Phase 1<br>deployment completed (68<br>printers), Phase 2<br>deployment completed (24<br>printers)* , Phase 3 design<br>in progress*<br><u>HSA</u> design in progress<br>Est. 700 printers<br><u>Rancho Los Amigos</u> Phase 1 | Pilot: 2/24/15*<br>3-year email retention*<br>Dept PM: ISD                | Number of workstations: 23,000<br>Workstations completed: 0<br>Procuring software licenses<br>Platform: Symantec<br>Est. cost: \$355K<br>Dept. PM: Enrique Garcia |

\* Denotes updates from prior reporting period

| Department                  | Managed Print Services<br>(Target completion - Dec 2016)                                                                                                                                                                                                                                                                                                   | Office 365 Implementation<br>(Target completion – June 2015)           | Desktop Encryption<br>(Target completion - June 2015)                                                                                                            |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                             | printer deployment in progress<br>(126 ->35 printers)<br>Est. savings – 50% @ \$54k/year<br>Phase 2 bid in progress*<br>(854 -> 369 printers)<br>Est. savings – 35% @ \$167k/year<br><u>Olive View</u> design in progress<br>Est. 1,000 existing printers<br><u>LAC+USC</u> inventory in progress<br>Est. 3,000 existing printers<br>Dept. PM: Kevin Lynch |                                                                        |                                                                                                                                                                  |
| Human Resources             | Printer deployment in progress<br>(124 -> 82 printers)<br>Est. savings - 25% @ \$82k/year<br>Dept. PM: Sylvia Contreras                                                                                                                                                                                                                                    | Pilot: 2/24/15*<br>3-year email retention*<br>Dept PM: ISD             | Number of workstations: 323<br>Workstations completed: 0<br>Platform: McAfee<br>Est. cost: \$0.00<br>Dept. PM: ISD/IT Shared Services                            |
| Internal Services           | Printer deployment in progress<br>(Est. 645 -> 176 printers)<br>Est. savings – 58% @ \$739k/year<br>Dept. PM: Gerry Plummer                                                                                                                                                                                                                                | Pilot: 2/18/15*<br>3-year email retention*<br>Dept PM: ISD             | Number of workstations: 1,548<br>Workstations completed: 17<br>Platform: McAfee<br>Est. cost: \$0.00<br>Dept. PM: ISD/IT Shared Services                         |
| Mental Health               | Printer deployment in progress<br>(1,631 -> 777 printers)<br>Est. savings - 35% @ \$561k/year<br>Dept. PM: Karen Van Sant                                                                                                                                                                                                                                  | Pilot: 2/18/15*<br>Email retention pending*<br>Dept PM: Karen Van Sant | Number of workstations: 6,000<br>Workstations completed: 0<br>Procuring software licenses<br>Platform: WinMagic<br>Est. cost: \$132K<br>Dept. PM: Karen Van Sant |
| Military & Veterans Affairs | Printer deployment in progress<br>(24 -> 12 printers)<br>Est. savings – 9% @ \$4k/year<br>Dept PM: K. Gutierrez                                                                                                                                                                                                                                            | Pilot: 2/24/15*<br>3-year email retention*<br>Dept PM: ISD             | Number of workstations: 37<br>Workstations completed: 0<br>Platform: McAfee<br>Est. cost: \$0.00<br>Dept. PM: ISD/IT Shared Services                             |

\* Denotes updates from prior reporting period

| Department             | Managed Print Services<br>(Target completion - Dec 2016)                                                                                                       | Office 365 Implementation<br>(Target completion – June 2015)             | Desktop Encryption<br>(Target completion - June 2015)                                                                                                                                                      |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Parks & Recreation     | Inventory in progress<br>Est. 559 printers<br>Dept. PM: Melissa Brown                                                                                          | Pilot: 2/18/15*<br>7-year email retention*<br>Dept PM: ISD               | Number of workstations: 1,200<br>Workstations completed: 9<br>Platform: McAfee<br>Est. cost: \$0.00<br>Dept. PM: ISD/IT Shared Services                                                                    |
| Probation              | Phase 1 printer deployment in progress<br>(1,604 -> 258 printers)<br>Est. savings - 39% @ \$282k/year<br>Phase 2 design in progress*<br>Dept. PM: Benny Chacko | Pilot: 2/24/15*<br>15-year email retention*<br>Dept PM: ISD              | Number of workstations: 5,500<br>Workstations completed: 3,042<br>Platform: McAfee<br>Est cost. 19K<br>Dept. PM: Vinny Chin                                                                                |
| Public Defender        | Design in review<br>386 -> 178 printers<br>Est. savings – 58% @ \$420k/year<br>Dept. PM: Noble Kenamer                                                         | Pilot: 2/18/15*<br>No email retention*<br>Dept PM: ISD                   | Number of workstations: 450<br>Workstations completed: 0<br>Procuring software licenses<br>Platform: Symantec<br>Est. cost: 7K<br>Dept. PM: Albert Lew                                                     |
| Public Health          | Printer deployment in progress<br>(2,264 -> 927 printers)<br>Est. savings - 50% @ \$1.29m/yr<br>Dept. PM: Ernesto Hidalgo                                      | Pilot: 2/24/15*<br>3-year email retention*<br>Dept PM: ISD               | Number of workstations: 5,000<br>Workstations completed: 0<br>Procuring software licenses<br>Platform: WinMagic<br>Est. cost: 110K<br>Dept. PM: Jim Green                                                  |
| Public Library         | Inventory in progress<br>Est. 941 printers<br>Dept. PM: Binh Le                                                                                                | Pilot: 2/18/15*<br>7-year email retention*<br>Dept PM: ISD               | Number of workstations: 3,850<br>Workstations completed: 0<br>Final testing in progress<br>Platform: MS Bitlocker<br>Est cost. \$0.00<br>Dept. PM: Migell Acosta                                           |
| Public Social Services | Phase 1 inventory in progress<br>Est. 5,961 printers<br>Dept. PM: Padmaja Choday                                                                               | Pilot: 2/18/15*<br>Email retention pending*<br>Dept PM: Christina Nguyen | Number of workstations: 21,986<br>Workstations completed: 18,595<br>Platform: MS Bitlocker<br>Est. cost non-LEADER: \$0.00<br>\$1.383M for encryption of LEADER workstations<br>Dept. PM: Christina Nguyen |

\* Denotes updates from prior reporting period

| Department                | Managed Print Services<br>(Target completion - Dec 2016)                                                                                                                                           | Office 365 Implementation<br>(Target completion – June 2015)                  | Desktop Encryption<br>(Target completion - June 2015)                                                                                                            |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Public Works              | Phase 1 bid in progress*<br>(940 -> 415 printers)<br>Est. savings – 52% @<br>\$810k/year<br>Dept. PM: David Carney                                                                                 | Pilot: 2/18/15*<br>Email retention pending*<br>Dept. PM: ISD                  | Number of workstations: 5,000<br>Workstations completed: 0<br>Procuring software licenses<br>Platform: WinMagic<br>Est. cost: 110K<br>Dept. PM: Patrick Anderson |
| Regional Planning         | Completed<br>(106 -> 59 printers)<br>Est. savings - 53% @<br>\$100k/year<br>Dept. PM: John Calas                                                                                                   | Pilot: 2/24/15*<br>No email retention*<br>Dept PM: ISD                        | Number of workstations: 295<br>Workstations completed: 92<br>Platform: McAfee<br>Est. cost: 1K<br>Dept. PM: John Calas                                           |
| Registrar-Recorder        | Bid in progress*<br>(865 -> 530 printers)<br>Est. savings – 42% @<br>\$193k/year<br>Dept PM: Kai Ponte                                                                                             | Pilot: 2/24/15*<br>3-year email retention*<br>Dept PM: ISD                    | Number of workstations: 1,400<br>Workstations completed: 0<br>Final testing completed<br>Platform: McAfee<br>Est cost: 5K<br>Dept. PM: Kai Ponte                 |
| Sheriff                   | HOJ printer deployment in<br>progress<br>Patrol bid in progress*<br>Est. Patrol savings – 61%<br>@\$1M/year<br>Custody inventory in<br>progress*<br>Est. 6,120 printers<br>Dept. PM: Lt. Tony Leon | Pilot: February 2015*<br>2-year email retention*<br>Dept PM: Capt. Paul Drake | Number of workstations: 13,382<br>Workstations completed:<br>13,244<br>Platform: McAfee<br>Est. cost: \$0.00<br>Dept. PM: Soheil Naimi                           |
| Treasurer & Tax Collector | Printer deployment in<br>progress<br>(321 -> 161 printers)<br>28% savings @ \$74k/year<br>Dept. PM: Lena Adran                                                                                     | Pilot: 2/18/15*<br>Email retention pending*<br>Dept. PM: ISD                  | Number of workstations: 600<br>Workstations completed: 0<br>Final testing/staging in progress<br>Platform: McAfee<br>Est. cost: \$0.00<br>Dept. PM: Lena Adran   |

\* Denotes updates from prior reporting period