County of Los Angeles
CHIEF EXECUTIVE OFFICE
OPERATIONS CLUSTER

SACHI A. HAMAI
Interim Chief Executive Officer

DATE: June 18, 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 – IMPLEMENTATION OF AB 1522 - HEALTHY WORKPLACES, HEALTHY FAMILIES ACT OF 2014**
   CEO – Maryanne Keehn or designee

   B) **Board Letter – APPROVAL OF AMENDMENT NO. 5 TO AGREEMENTS WITH CITIES OF LOS ANGELES AND LONG BEACH TO ACCESS COUNTY VOTER INFORMATION MANAGEMENT SYSTEM**
   RR/CC – Dean Logan or designee

   C) **REPORT BACK ON SOLAR PANEL PILOT PROJECT**
   ISD – Dave Chittenden or designee

   D) **Board Letter – AMENDMENT TO AGREEMENT WITH VERINFORM SYSTEMS, INC. FOR MEDICAL EDUCATION MANAGEMENT SYSTEM**
   DHS, CIO – Mitchell Katz and Richard Sanchez or designee(s)

   E) **Board Letter – RECOMMENDATION TO APPROVE AMENDMENT NO. 1 TO LOS ANGELES ELIGIBILITY, AUTOMATED DETERMINATION, EVAULATION AND REPORTING SYSTEM (LEADER REPLACEMENT SYSTEM) INFORMATION TECHNOLOGY AGREEMENT WITH ACCENTURE, LLP**
   DPSS, CIO – Sheryl L. Spiller and Richard Sanchez or designee(s)

   F) **Board Letter – AUTHORIZATION TO USE IT FUNDS AND EXECUTION OF WORK ORDERS FOR COUNTYWIDE MASTER DATA MANAGEMENT SYSTEM (CWMDM)**
   CIO – Richard Sanchez or designee

2. Public Comment

3. Adjournment

County of Los Angeles
CHIEF EXECUTIVE OFFICE
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
http://ceo.lacounty.gov

SACHI A. HAMAI
Interim Chief Executive Officer

"To Enrich Lives Through Effective And Caring Service"

June 23, 2015

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

Dear Supervisors:

IMPLEMENTATION OF AB1522 –
HEALTHY WORKPLACES, HEALTHY FAMILIES ACT OF 2014
ALL SUPERVISORIAL DISTRICTS
(3 VOTES)

SUBJECT

This letter and accompanying ordinance will update the method in which MegaFlex employees accrue non-elective leave hours, and Temporary and Recurrent employees accrue sick leave to comply with the Healthy Workplaces, Healthy Families Act of 2014, also known as AB1522. The current accrual process and timing of when the accrued hours are made available for these employees does not comply with the statute.

IT IS RECOMMENDED THAT THE BOARD:

Approve the accompanying ordinance amending Title 5, Personnel, and Title 6, Salaries of the County Code, to change the accrual method of non-elective leave hours to be available for usage on a per pay-period basis, and provide AB1522, sick personal leave, for certain temporary and recurrent employees, effective July 1, 2015, and instruct the Auditor-Controller to make the system changes necessary to implement these recommendations.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

BACKGROUND

In September 2014, Governor Brown approved the Healthy Workplaces, Healthy Families Act of 2014 (or AB1522) to ensure that workers in California receive paid sick leave to care for their own

health, or the health of their family members. Effective July 1, 2015, California employers are required to
provide all employees with sick days at an accrual rate of no less than one hour sick leave for every thirty hours worked to all employees. Additionally, employees must be permitted to use the accrued sick time no later than the 90th day of employment, and may carry over the accrued sick days to the following year, up to a maximum accrual cap of 48 hours. Employers may fulfill the AB1522 sick day requirement if they have a paid time off (PTO) policy that satisfies the same accrual, carry over, and usage requirements.

Under AB1522, an employee who, on or after July 1, 2015, works 30 days or more within a year from the commencement of employment, is entitled to receive paid sick leave at the aforementioned accrual rates. This statute applies to part-time, temporary, and full-time employees. According to section 245.5 of the California Labor Code, the definition of employee excludes:

“An employee covered by a valid collective bargaining agreement if the agreement expressly provides for the wages, hours of work, and working conditions of employees, and expressly provides for paid sick days, or a paid leave, or paid time off policy that permits the use of sick days for those employees; final and binding arbitration of disputes concerning the application of its paid sick day provisions, premium wage rates for all overtime hours worked, and regular hourly rate of pay of not less than 30 percent more than the state minimum wage rate.” It also excludes: “A provider of in-home supportive services.”

AFFECTED EMPLOYEES

The employees in the County, whose sick leave or PTO benefits are subject to change under the standards of AB1522, include all non-represented employees in the MegaFlex plan; part-time and temporary employees who currently earn special paid leave; and part-time and temporary employees who do not have any provisions for sick leave.

All represented employees, including those who earn less than 30 percent more than the state minimum wage, accrue sick leave every pay period, and at an accrual rate that exceeds the requirements of AB1522. The provisions for usage and carryover of such hour also comply with AB1522. All represented employees are thus in compliance with this legislation.

Although employees under the Flex plan are subject to AB1522 regulations, they accrue sick leave at an accrual rate that exceeds the legislation requirements, and have provisions for usage and carryover that satisfy AB1522. Thus, Flex employees are also unaffected by AB1522.

MegaFlex Employees

Participants under the MegaFlex plan accrue paid time off in the form of non-elective leave hours. The current policy for non-elective leave complies with and exceeds the accrual and carry over requirements of AB1522. However, the timing of when non-elective leave hours are made available to newly hired MegaFlex employees is not compliant with AB1522.

Current Accrual Method for Non-Elective Leave

MegaFlex participants earn 4 hours of non-elective leave every pay period to a maximum of 80 hours per year. However, the hours are not made available to the employee until January 1 of the following year.

Newly hired MegaFlex employees are credited with a prorated number of non-elective leave hours on their one-year anniversary, based on active service from the day they are hired through December 31. For example, under the current policy, a new hire MegaFlex employee starts with the County on September 1, 2015, and regularly works through the end of the year. After one year, on September 1, 2016, the employee will receive 32 hours of non-elective leave based on his/her service from September 1, 2015, through December 31, 2015.

New Accrual Method for MegaFlex Non-Elective Leave

As of July 1, 2015, and prospectively, to comply with AB1522, all MegaFlex employees will accrue 4 hours of non-elective leave (that will be available for use) each pay period. The maximum accrual/allocation of non-elective leave will remain at 80 hours each calendar year. All hours earned from January 1, 2015, through June 30, 2015, will be made available for the employees' use on July 1, 2015.

> Example: An employee who consistently works from January 2015, through June 2015, will be accredited 48 hours of non-elective leave on July 1, 2015. Beginning July 1 through the remainder of the year, the employee will accrue 4 hours of non-elective leave each pay period until 80 hours are reached for the calendar year. The following year in January 2016, the employee will again begin to accrue 4 hours of non-elective leave every pay period until 80 hours are reached.

Temporary and Recurrent Employees

The temporary and recurrent employees who currently earn Special Paid Leave, or who do not have any provisions for any form of sick leave, will begin to accrue AB1522 Sick Personal Leave as of July 1, 2015, up to a maximum cap of 48 hours. The terms and provisions of AB1522 Sick Personal Leave for temporary and recurrent employees have been negotiated and agreed upon within the fringe MOUs by both labor parties (SEIU, Local 721, and the Coalition of County Unions [CCU]) and management.

Current Accrual Method of Special Paid Leave

Certain temporary and recurrent employees under item subs F and H earn a form of paid time off called Special Paid Leave. The accrual rate and accrual process for Special Paid Leave do not meet the standards of AB1522. Employees may earn up to a maximum of 3 days of Special Paid Leave if they work 140 days or more in a calendar year. Also, similar to the current non-elective leave accrual method, Special Paid Leave is accrued or allocated the following year based on the number of days worked in the previous year. Thus, if an employee begins employment with the County in June, he or she will not have any Special Paid Leave available until the following year in January, which is not compliant with the AB1522 provision that sick leave must be made available within 90 days from the commencement of employment.

AB1522 Sick Personal

On June 30, 2015, temporary and recurrent employees will cease accruing Special Paid Leave, at which point they will be accredited with special paid leave days based on the number of days worked from January through June 2015. On July 1, 2015, both temporary and recurrent employees, as well as employees who did not previously accrue a form of sick time, will begin to accrue AB1522 Sick

Personal at an accrual rate of 1 hour for every 30 hours worked. AB1522 Sick Personal will be made available to the employee on a per pay period basis to be in compliance with the statute. Employees will be allowed to use up to three AB1522 Sick Personal days per calendar year.

The County has met with both SEIU Local 721 and the CCU regarding the implementation of Sick Personal for Temporary and Recurrent Employees, and to negotiate the terms and provisions. In February 2015, both unions initially agreed to the usage of 3 personal sick days per year, and the maximum accrual of 3 days per year.

As further clarification on AB1522 unfolded, in March 2015, the County's outside legal counsel advised that under the provisions of AB1522, the statute appears to permit an employer to satisfy the requirements by allowing an employee to earn up to 6 total sick days, and may limit the usage to 3 sick days per calendar year.

Since then, SEIU Local 721 has tentatively agreed to the usage of 3 sick personal days per year, and the maximum accrual of 6 total days. The CCU has tentatively agreed to the usage of 3 sick personal days per year, but continues to negotiate the terms and has not agreed to the maximum of 6 total days.

Under the provisions of law, and the requirement to implement such changes by July 1, 2015, the County plans to implement the usage of 3 sick personal days per year, and a maximum of 6 total days for temporary and recurrent employees to comply with AB1522, and will continue to negotiate with the CCU.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the principles of the Countywide Strategic Plan by promoting the well-being of County employees and their families by offering comprehensive employee benefits.

FISCAL IMPACT/FINANCING

Changing the accrual method for MegaFlex employees will have an insignificant fiscal impact to the County of Los Angeles. The only new financial impact would be if a new hire MegaFlex employee were to separate from County service within the first year of employment. Under AB1522, the employee would be paid for the accrued non-elective leave hours at termination, as opposed to the current policy where the employee would not be eligible to be paid for any hours in the first year of employment. Research of the past 3 years of payroll data indicates a total of 4 MegaFlex employees who left County service within a year of commencing employment.

AB1522 Sick Personal accruals for employees who never had any form of sick leave will cost approximately $550,000 per year.

Converting temporary and recurrent employees from Special Paid Leave to AB1522 will be cost neutral.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The accompanying ordinance implementing amendments to Title 5, Personnel and Title 6, Salaries, of the County Code has been approved as to form by County Counsel.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Your approval of these recommendations will bring the County into compliance with AB1522 by providing new hire employees with a form of sick leave within 90 days of hire.

Respectfully submitted,

SAH:JJ:MTK
SM:DC:rld

c: Executive Office, Board of Supervisors
County Counsel
Auditor Controller
Human Resources
All Department Heads
Coalition of County Unions
SEIU, Local 721

June 30, 2015

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

Dear Supervisors:

APPROVE AMENDMENT NUMBER FIVE TO THE AGREEMENTS WITH THE CITY OF LOS ANGELES AND THE CITY OF LONG BEACH FOR CONTINUED ON-LINE ACCESS TO COUNTY VOTER INFORMATION MANAGEMENT SYSTEM (ALL DISTRICTS) (3 VOTES)

SUBJECT:

Request Board approval to execute Amendments Number Five to agreements (Agreements) with the City of Los Angeles (LA City) and the City of Long Beach (LB City) for continued on-line access to the County's Voter Information Management System (VIMS). Both Amendments extend the Agreement terms from August 9, 2015 through May 9, 2018 with six month-to-month options to renew in order for these Agreements to continue concurrently with Los Angeles County's Agreement Number 76010 with Data Information Management Systems, LLC (DIMS) for VIMS database maintenance and support services.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Registrar-Recorder/County Clerk (RR/CC), or designee, to execute Amendment Number Five to the Agreement with LA City for continued on-line access to the County's VIMS, at no cost, for an additional term to begin on August 9, 2015 and to continue concurrently with Los Angeles County's Agreement Number 76010 with DIMS, which expires on May 9, 2018, and may be extended for six (6) month-to-month renewal options.

2. Authorize the RR/CC, or designee, to execute Amendment Number Five to the Agreement with LB City for continued on-line access to the County's VIMS, at no cost, for an additional term to begin on August 9, 2015 and to continue concurrently

with Los Angeles County's Agreement Number 76010 with DIMS, which expires on May 9, 2018, and may be extended for six (6) month-to-month renewal options.

3. Authorize the RR/CC, or designee, to amend either or both Agreements as changes become necessary provided that County Counsel approval is obtained prior to executing such amendments.

4. Authorize the RR/CC, or designee, to terminate either or both Agreements upon giving the other party 90 days advance notice in accordance with the provisions set forth in both Agreements.

PURPOSE/ JUSTIFICATION OF RECOMMENDED ACTION:

The purpose of the recommended action is to continue to provide LA City and LB City with on-line access to VIMS, the voter registration database which contains all information for the County's 6.3 million registered voters. The VIMS database forms the basis for establishing and maintaining the precincting of voters, the absentee voting system, verifying petitions, and maintaining poll workers and voting location files. VIMS is not involved in tabulation of ballots. The VIMS' client-server platform enabled partnerships with the City of Los Angeles and the City of Long Beach, which has helped to improve the quality of the voter data and poll worker and polling place data used by all jurisdictions. Thus, critical information is ready and available to conduct federal, State, local and special elections as needed.

Implementation of Strategic Plan Goals:

This request supports the County Strategic Plan as follows:

Goal No. 1, Operational Effectiveness: The Agreements will allow LA City and LB City continued on-line access to VIMS. The City Clerks of both of these jurisdictions, which conduct their own city elections, have reported improved election administration in their cities as a result of the ability to utilize VIMS functionality on-line.

FISCAL IMPACT/ FINANCING:

RR/CC has statutory responsibility for maintaining voter information and related services. RR/CC does not incur any additional expense as a result of providing LA City and LB City with on-line access to the VIMS database. Since there is no cost recovery involved, and as a professional courtesy to these governmental entities, RR/CC will not charge for on-line access to VIMS. LA City and LB City are responsible for all their expenses including equipment, software needs as well as communication and data lines. Thus, these Agreements will not negatively affect the County budget.

The Agreements also provide that in the event of any needed enhancements required for optimal VIMS performance, LA City and LB City may be assessed a portion of the related cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

RR/CC is responsible for the registration of voters, maintenance of the voter file, precincting, absentee voting, petitions, precinct officers and polling location files, and the conduct of federal, State, and special elections that affect Los Angeles County as a whole. In May 1998 your Board authorized an agreement to grant full on-line access to VIMS for LA City and likewise on December 16, 2003 for LB City. The cities paid the County $500,000 and $67,114, respectively, as part of the VIMS purchase and installation costs, in return for on-line access to the VIMS database. In February of 2007, your Board, once again, granted the RR/CC authority to execute agreements with LA City and LB City for their continued on-line access to the VIMS database. If all options are exercised, these Agreements will expire on August 8, 2015.

On May 5, 2015, your Board approved Amendment Eight to the County's Agreement Number 76010 which extended the term of the existing Agreement with DIMS for continued maintenance and support services to VIMS. This approved extension allows the RR/CC to continue to offer on-line VIMS access to both LA City and LB City throughout the duration of the above-referenced DIMS Agreement.

The Chief Executive Office has reviewed and approved this Board letter. County Counsel has approved the attached Amendment Number Five as to form.

CONTRACTING PROCESS:

There was no contracting process associated with the recommended Amendment Number Five to the existing Agreements.

IMPACT ON CURRENT SERVICES:

Approval of the recommended Agreements will ensure uninterrupted on-line access to VIMS to LA City and LB City and cultivate partnerships with the cities in improving the quality of voter data, and pollworker and polling place data used by all jurisdictions.

CONCLUSION

Upon approval by your Board, the Executive Officer is requested to return one (1) adopted copy of this letter to:

Department of Registrar-Recorder/County Clerk
Finance and Management Division
12400 Imperial Highway, Suite 5115, Norwalk, CA 90650
Attention: Dushyant Bala, Contracts Manager
Email: dbala@rrcc.lacounty.gov Phone: 562-462-2905

Respectfully submitted,

DEAN C. LOGAN
Registrar-Recorder/County Clerk

DCL:RF:FP
DB:cp

Attachments (2)

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

JIM JONES
Director

County of Los Angeles
INTERNAL SERVICES DEPARTMENT
1100 North Eastern Avenue
Los Angeles, California 90063

Telephone: (323) 267-2103
FAX: (323) 264-7135

"To enrich lives through effective and caring service"

June 3, 2015

To: Supervisor Michael D. Antonovich, Mayor
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe

From: Dave Chittenden
Chief Deputy Director

Subject: **REPORT BACK ON SOLAR PANEL PILOT PROJECT**

On November 25, 2014, your Board instructed the Internal Services Department (ISD) to work in conjunction with the Chief Executive Officer (CEO) and other appropriate departments to accelerate the County's adoption of solar to develop a pilot project to install solar panels on County buildings. The specific actions included:

1. Initiate a competitive contracting process to implement a Rooftop Solar Pilot Project to install solar panels on up to 15 County buildings;
2. Return to the Board of Supervisors with the proposed contract(s), no later than120 days from today, together with an analysis of costs using a County-financing model, so that the Board of Supervisors can select one or both of these options;
3. Report back to the Board of Supervisors at appropriate intervals during the contracting and installation process, and again when the solar panels are completed, regarding ways in which the County can further improve the solar installation process on County buildings in the future and;
4. For the first year after installation of the solar panels, submit a report back to the Board of Supervisors, on a quarterly basis, on solar panel performance and savings in energy costs. After the first year, submit the report annually.

This memo is a status report to your Board on the specific actions taken to address the motion, close out the first two items and provide the Board with ISD's recommendations to comply with the additional reporting instructions during the contracting, installation and operations phases.

<u>Executive Summary</u>

Two solar models were solicited and evaluated against continuing business as usual (BAU) purchases of electricity from SCE. Both solar models provide economic and environmental improvements over business as usual. However, the solar power purchase agreement (PPA) model provides the most benefits to the County. Current solar market conditions are particularly attractive due to tax and electric policies which will expire in 2016 so proceeding in a timely manner is imperative for the County to capture the benefits described in this memo.

Contracting Process

ISD conducted a competitive solicitation that requested proposals under two solar business models:

1. a power purchase agreement (PPA) model, under which the County would purchase the solar electricity produced by the installations from a 3rd party who installs, owns, operates and maintains the installations and;
2. a County-purchased model, under which the County would use long term financing to purchase the installations and would be responsible to operate, maintain and insure them.

On February 18, 2015, ISD released two (2) work order solicitations (WOS) for Rooftop and Canopy (parking lot coverage) Solar Pilot Projects for various County facilities under its Energy Efficiency Projects Master Agreement (EEPMA). The scope of the solar projects were for small installations (15 sites at less than 200kilo-Watts - solicitation number EEP131), and larger installations (11 sites at over 200 kilo-Watts - solicitation number EEP132). Eighteen qualified vendors under the EEPMA Renewable Resources and Distributed Generation category were notified of the solicitation opportunities. No more than 15 projects would have been awarded.

Eight (8) vendors attended the mandatory proposer's conference and job walks were held on February 26, 2015. There were no proposals received for EEP131; four (4) proposals were received for EEP132 by the March 31, 2015 deadline. The four (4) proposals were reviewed for compliance with the minimum requirements set forth in the WOS. The proposals were determined to be in compliance with the minimum requirements and an evaluation committee evaluated the responses in accordance with the evaluation criteria in the WOS. No bids were received for the smaller installations.

Contract(s) for the selected vendor(s) will be provided if your board provides direction for ISD to proceed with an award.

The solicitation process will continue with notifications to non-selected vendors, the protest process, negotiations, and work order award(s) based on your Board's direction.

Modeling and Results

The results from the solicitation provide firm pricing that would create both near and long term savings over the business as usual (BAU) model where the County purchases electricity from the utility, Southern California Edison (SCE). The PPA model provides a 1st year reduction in utility costs of 19% and a 20 year average reduction of 44%. The County financed purchase model provides sufficient utility bill savings compared to projected utility costs to cover debt service, insurance and maintenance costs and provide savings. In both solar models, the electricity generated by the solar installations is fixed for the 20 year term and provides a risk management hedge against rising utility rates.

This report analyzes the BAU model against the relative merits of the Solar PPA and County financed solar models and finds that the County receives the most benefits from the PPA model.

Summary Analysis

The table below summarizes the benefits and drawbacks of the two solar models.

Model	Benefits	Drawbacks
Solar Power Purchase Agreement	• No capital costs • Operating budget directly leveraged to increase value of existing expenditures • Reduced project, performance & maintenance risks • No use of County borrowing capacity • No competition for scarce M+O resources • County still able to pledge its facilities where solar is installed	• Parking lots must remain for 20 years • Site closure/relocation workarounds o Assignment o Buyout o Relocation o Off-site energy credits • Sites must accommodate a site easement for access
Solar County financed purchase	• Slightly more operational flexibility to close or relocate facilities or infrastructure • Low interest rate	• County responsible for theft, vandalism, damage and system performance • Use of County borrowing capacity • Additional time required to comply with law to issue debt • New agreements with Depts. to repay bonds from utility budgets • Forfeit 30% tax credit • Additional M+O and insurance costs

Please see Attachment 1 for more detailed analysis of the solar models.

CONCLUSION

ISD's analysis supports that either solar model provides both qualitative and quantitative benefits to the County. However, we believe that the PPA model provides the most benefits with fewer risks.

The current solar market conditions are shaped by several advantageous tax and electric rate provisions that will expire at or near the end of 2016. The expiration of these provisions are expected to temporarily increase the cost of solar installations making solar less competitive with current utility rates. These specific market conditions make expedient implementation an important criteria in evaluating solar models and potential installations at County facilities.

DC:JLG:HC
Attachment

c: ISD Board Deputies
Executive Office, Board of Supervisor
Chief Executive Officer
County Counsel

Attachment 1 – Detailed Analysis

Identification of Viable Sites

Eleven (11) sites were selected by ISD for their potential as sites for larger (>200KW) solar installations. These sites were reviewed with CEO prior to publishing the solicitation. The installation types are primarily parking lot canopies and the proposed solar installations will offset between 15% and 80% of the site's current annual electrical requirements with the balance of the electrical requirements to be purchased from the local utility. The local utility would continue to provide power to these facilities, particularly at times when the solar installations are not generating electricity such as at night or on cloudy days.

Site >200KW	**Address**	**Install type**	**Energy Offset**
Century Regional Detention Facility	11705 S. Alameda St., Lynwood, CA 90262	Canopy	15%
ISD-C/D Building Automotive Services	1104 N. Eastern Ave., LA, CA 90063	Roof	20%
Ferguson Admin. Services Center	5555 Ferguson Dr., Commerce, CA 90022	Canopy	25%
Whittier Narrows Park	750 S. Santa Anita Ave., S. El Monte, CA 91733	Canopy	79%
Parks-Santa Fe Dam Parking Lot 4	15501 E. Arrow Hwy., Irwindale, CA 91706	Canopy	80%
Norwalk Library	12350 Imperial Hwy., Norwalk, CA 90650	Roof	70%
ISD Parking Lot Headquarters	1100-1104 N. Eastern Ave., LA, CA 90063	Canopy	31%
Palmdale Sheriff Station	750 E. Avenue Q, Palmdale, CA 93550	Canopy	80%
South Los Angeles Sheriff Station	1310 W. Imperial Hwy., Los Angeles, CA 90044	Canopy	80%
Walnut Sheriff	21695 E. Valley Road, Walnut, CA 91789	Canopy	80%
Lost Hills Sheriff Station	27050 W. Agoura Rd., Agoura Hills, CA 91301	Canopy	79%

Additionally, the end of term provisions of both solar models have similar benefits to the County. The PPA provides a procedure to determine the Fair Market Value and if the Fair Market Value is less than the cost to restore the site to its original condition, the PPA provider may elect to surrender the equipment and deliver clean title to the County for no consideration. Otherwise, the PPA provider shall restore the site to its original condition. Due to the age of the system and the costs to restore the site, we anticipate that the PPA would be likely to provide title to the installation to the County, and that the County would be able to continue to operate the system and benefit from its remaining useful life of approximately 5 years. Similarly, in the County financed model, after the debt is retired the County would benefit from the electricity generated from the systems to offset costs of purchasing power from SCE.

Both solar models provide the County all of the renewable energy credits and environmental attributes crediting the County with reducing air and carbon pollution in the region.

The two solar business models were compared with the County's current BAU model which would continue the County's current practice of not installing on-site solar and purchasing all of the required electricity from the local utility company. See Attachment 2

Qualitative Analysis

BAU Model

If the County does not take action to install solar it would forgo the clean energy and environmental benefits of the proposed on-site solar and sites emissions from electricity would track the local utility's carbon emissions rate.

PPA model

PPAs are an industry standard approach to financing the implementation of solar electric installations using existing utilities budget appropriations to pay for the electric output from these installations, eliminating the need and some of the risks of a capital investment. Under a PPA, the County executes a license agreement for a particular site to a solar provider for 20 years. The provider then constructs, owns, operates and maintains the system; selling the solar electricity to the County at a price lower than it would have paid to the local utility providing utility budget savings and on-site, clean, renewable electricity.

This model is anticipated to be the most expedient and have the lowest schedule, maintenance, insurance and operations risks. The PPA model also keeps the solar pilot projects from competing for scarce resources with core County functions while still providing significant benefits to the County.

County Financed Cash model

This model for installing solar involves the County purchasing the PV system itself and financing the purchase over time by issuing long term (20 year) tax exempt bonds. The electricity generated by the PV system would reduce the amount of electricity required to be purchased from the local utility, resulting in avoided costs which are sufficient to fund the system costs, including debt service, insurance and maintenance. However, if actual energy production was below expectation due to system damage, weather or other reasons the avoided costs may not materialize. The cost of repairs and equipment replacement will be the County's responsibility.

This model introduces new risks to the County such as the use of borrowing capacity, additional accounting complexity between capital and operating budgets, performance and schedule risks. The schedule risks may cause the County to miss the window of opportunity for the current advantageous solar market conditions. This model also requires the forfeiture of any value from the 30% investment tax credit of which only private companies may take advantage.

Quantitative Analysis

BAU Model

The BAU model results in a 20 year average annual utility cost of **$2.36M** across the identified 11 sites for purchasing the quantity of electricity that could be offset by the solar installations. This is the most expensive option in every year of the 20 years analyzed. This model includes a conservative projection of 4% annual utility rate increases based on historical data.

PPA model

The 20 year average cost of solar electricity under a PPA is projected to be **$1.33M**. The average annual savings is **$1.03M** with no upfront costs, low risks and significant economic benefits. This option provides fixed price, renewable power and shaded parking for 44% less than what the County's would otherwise pay buying electricity from the utility. Additionally, the first year annual fiscal benefit from the PPA is estimated to be $250K[1].

County Financed Cash model

The 20 year average annual financial cost (debt service, maintenance and insurance expenditures) of solar electricity under this model is projected to be **$1.28M.** This cost when combined with electric rates results in an annual cost of **$1.58M**. This model is projected to provide **$780K** of 20 year average annual savings when compared to business as usual. This model is less financially attractive than the PPA model even when using low interest rates available under the Qualified Energy Conservation Bond program.

Additional quantitative details on the results of the solicitations and the net benefits to the County are described in the body of this letter and in Attachment 2.

Long-term operational flexibility

The PPA model obligates the County to purchase the solar electric output for up to 20 years. This entails potential risks to the County. However, provisions in the PPAs incorporated into this solicitation are able to mitigate these risks.

The County and your Board reserve the right to make real estate decisions such as the sale of a property or closure and/or relocation of County operations to another site.

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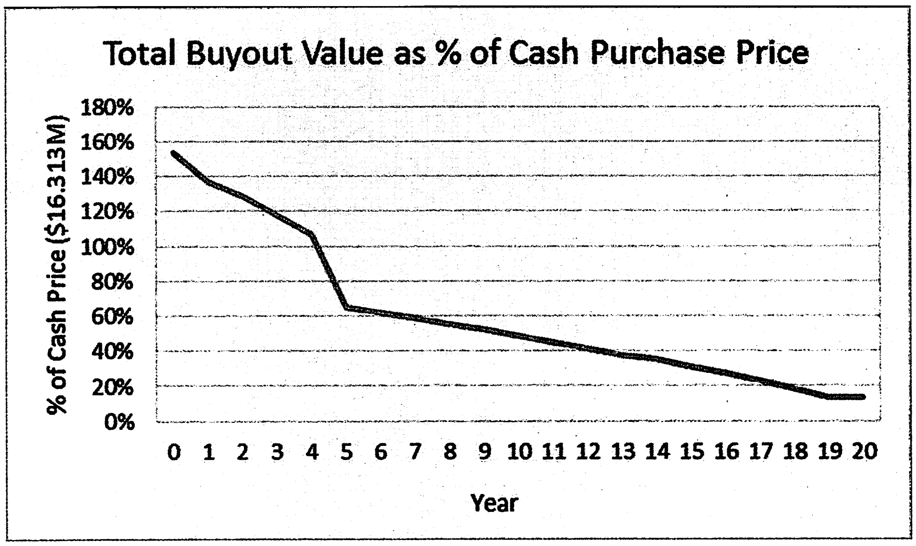
[1] This is the difference between the SCE rate and the PPA rate times the annual electricity production with an adjustment for specific electric rate components.

- In the event that your Board decides to sell a site, the PPA provides for assignment to a new owner and the approval of the assignment cannot be unreasonably withheld by the solar provider.

- In the event, that your Board decides to close or relocate County operations at a particular site, the PPA provides a pre-defined buyout schedule for the County to purchase the equipment. The chart below shows the percent of cash price over the 20 year period. Additionally, in the event of a temporary closure of a facility for renovation an electricity rate option permits the County to temporarily credit another site with the solar generated at reasonably cost effective rates.



- The final option, in the event of a site closure the county has an option to pay to re-locate the solar equipment to a new facility. This option must be weighed against the above provisions and would be unlikely to be cost effective but remains an option to preserve flexibility with real estate decision-making.

Budget impacts

BAU Model

No structural changes would be required to the budget process to continue current practice.

PPA model

The approval of the PPAs will reduce SCE electricity costs for the subject facilities as soon as the solar panels begin generating electricity. These SCE electricity costs savings will be used to pay the PPA provider for the solar electricity generated. The solar PPA costs are fixed for 20 years and are estimated to be 19% less expensive than business as usual in year 1. As the solar projects generate lower cost energy, ISD will reduce the Services & Supplies appropriation in the future fiscal year budget submittals for the Utilities budget based upon actual cost information. There is adequate appropriation in the current and next fiscal year (FY15-16) budgets for the PPA costs.

County Financed Cash model

Unlike the PPA model, the County Financed model would establish a long-term debt service obligation to repay the upfront capital costs as well as annual operating, maintenance and insurance costs which would need to be funded. The cheaper-than-utility solar electricity generated would result in avoided costs which should be sufficient to cover these costs.

The County financed model would require inter-departmental agreements bridging between capital budget expenditures and reductions in Utility budgets to service the debt which would require new processes and procedures and additional agreements between departments and CEO. This has the potential to delay the solar projects and cause the County to miss the window of opportunity with the current solar market conditions.

Environmental

The proposed Project is statutorily and categorically exempt from the provisions of the California Environmental Quality Act (CEQA). Section 21080.35 of the Public Resources Code establishes a statutory exemption from CEQA for solar energy systems installed on an existing rooftop or at an existing parking lot. The Project, which consists of execution of a PPA which will include, among other things, the installation of solar panels on existing buildings and existing parking lots, which is also within certain classes of projects that have been determined not to have a significant effect of on the environment in that it meets criteria set forth in Section 15303 and 15311 of the State CEQA Guidelines and Class 3(b) and Class 11 of the County's Environmental Document Reporting procedures and Guidelines, Appendix G. These classes include construction and location of small new equipment and facilities as well as minor accessory structures. The eleven project sites, identified in Attachment 2 of this memo are not located in sensitive environments and there are no cumulative impacts, unusual circumstances or other limiting factors that would make the exemption inapplicable based on the project records.

Upon your Board's approval of the proposed Project, ISD will file a Notice of Exemption with the County Clerk in accordance with Section 15062 of the State CEQA Guidelines.

Attachment 2 – Quantitative Analysis

					Utility BAU Analysis		Power Purchase Agreement (PPA) Analysis			County Financed Purchase Analysis				
Site	Address	Solar Capacity (DC)	Install type	Solar Production (kWh)	Avg SCE $/kWh	Average Annual Utility expense (20 yrs)	PPA fixed price	Average Annual PPA Expense (20 yrs)	Average PPA Savings per year	Cash price	Annual Debt Service	Annual Maintenance & Insurance Expense	Financed solar costs total	Average Annual Savings (20 year)
Century Regional Detention Facility	11705 S. Alameda St., Lynwood, CA 90262	679	Canopy	969,191	$ 0.1304	$ (195,717)	$ 0.1065	$ (131,365)	**$ 64,352**	$ 1,673,914	$ (103,395)	$ (26,978)	$ (130,373)	**$ 37,199**
ISD-C/D Building Automotive Services	1104 N. Eastern Ave., LA, CA 90063	1,122	Roof	1,676,547	$ 0.1447	$ (375,555)	$ 0.0805	$ (183,650)	**$ 191,905**	$ 1,874,450	$ (115,782)	$ (37,436)	$ (153,217)	**$ 173,650**
Ferguson Admin. Services Center	5555 Ferguson Dr., Commerce, CA 90022	1,120	Canopy	1,651,072	$ 0.1275	$ (326,010)	$ 0.1042	$ (219,990)	**$ 106,020**	$ 2,656,360	$ (164,079)	$ (43,650)	$ (207,729)	**$ 70,333**
Whittier Narrows Park	750 S. Santa Anita Ave., S. El Monte, CA 91733	294	Canopy	425,588	$ 0.3304	$ (217,717)	$ 0.1128	$ (60,366)	**$ 157,351**	$ 799,212	$ (49,366)	$ (12,269)	$ (61,635)	**$ 143,723**
Parks-Santa Fe Dam Parking Lot 4	15501 E. Arrow Hwy., Irwindale, CA 91706	539	Canopy	786,418	$ 0.1726	$ (210,203)	$ 0.1045	$ (105,019)	**$ 105,184**	$ 1,347,921	$ (83,259)	$ (21,555)	$ (104,813)	**$ 82,552**
Norwalk Library	12350 Imperial Hwy., Norwalk, CA 90650	256	Roof	384,281	$ 0.1595	$ (94,903)	$ 0.0863	$ (44,323)	**$ 50,579**	$ 490,962	$ (30,326)	$ (9,052)	$ (39,378)	**$ 44,365**
ISD Parking Lot Headquarters	1100-1104 N. Eastern Ave., LA, CA 90063	1,120	Canopy	1,653,443	$ 0.1447	$ (370,380)	$ 0.1042	$ (220,306)	**$ 150,074**	$ 2,691,561	$ (166,253)	$ (43,932)	$ (210,185)	**$ 112,178**
Palmdale Sheriff Station	750 E. Avenue Q, Palmdale, CA 93550	532	Canopy	759,646	$ 0.1340	$ (157,600)	$ 0.0935	$ (93,088)	**$ 64,512**	$ 1,296,330	$ (80,072)	$ (21,019)	$ (101,092)	**$ 34,447**
South Los Angeles Sheriff Station	1310 W. Imperial Hwy., Los Angeles, CA 90044	630	Canopy	899,351	$ 0.1299	$ (180,966)	$ 0.1065	$ (121,899)	**$ 59,067**	$ 1,548,836	$ (95,669)	$ (24,998)	$ (120,667)	**$ 34,181**
Walnut Sheriff	21695 E. Valley Road, Walnut, CA 91789	404	Canopy	588,368	$ 0.1436	$ (130,866)	$ 0.1065	$ (79,748)	**$ 51,118**	$ 1,033,745	$ (63,853)	$ (16,348)	$ (80,201)	**$ 33,578**
Lost Hills Sheriff Station	27050 W. Agoura Rd., Agoura Hills, CA 91301	346	Canopy	516,479	$ 0.1307	$ (104,522)	$ 0.1036	$ (68,506)	**$ 36,016**	$ 899,604	$ (55,567)	$ (14,116)	$ (69,683)	**$ 19,840**
Totals		**7,042**		**10,310,384**	**$ 0.1589**	**$ (2,364,438)**	**$ 0.1008**	**$ (1,328,259)**	**$ 1,036,179**	**$ 16,312,895**	**$ (1,007,620)**	**$ (271,352)**	**$ (1,278,972)**	**$ 786,046**
													total w/ Demand charges $ (1,578,392)	

The parameters used to calculate NPV of the business models are provided below:

1. SCE's rates are conservatively projected to escalate at 4% annually
2. The PPA rate is fixed (*i.e*., not escalated) over the 20 year life of the PPA
3. The amount of electricity produced annually by the solar installations was calculated using National Renewable Energy Lab's (NREL) solar modeling tools that project solar performance, orientation of the panels, system design and geographic location.
4. County secured financing assumed 2% interest rate for a term of 20 years with a 1% origination fee.
5. The level cost per energy unit or kilo-Watt hours (kWh) for the cash purchase models used NREL's level cost calculator.

July 7, 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:

APPROVAL OF AMENDMENT TO AGREEMENT WITH VERINFORM SYSTEMS, INC. FOR THE MEDICAL EDUCATION MANAGEMENT SYSTEM

(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

CIO RECOMMENDATION: APPROVE [ ]

SUBJECT

Approval of delegated authority to the Director of Health Services to amend the Agreement with Verinform Systems, Inc. for Application Hosting Services to (a) extend the term up to five years, increase the maximum contract sum, and update the Agreement to add terms applicable to the services being provided to County; and (b) assign and delegate the Agreement to MyEvaluations.com Inc.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director of Health Services (Director) or his designee to execute Amendment No. 7 to Agreement No. H-702120 with Verinform Systems, Inc. (Verinform), effective upon execution, to: (1) extend the Agreement term for the period of August 1, 2015 through July 31, 2018, for the continued use of a medical education management system, with an increase of $495,152, which includes pool dollars in the amount of $34,307, to the maximum contract sum for the extended term; (2) assign and delegate the Agreement to MyEvaluations.com Inc. (MyEvaluations); and (3) expand the statement of work for future system upgrades for DHS sponsored residency programs and acquire optional work deliverables in the form of additional software, professional services, and training, as needed.

2. Delegate authority to the Director, or his designee, to amend the Agreement to exercise two additional one-year extension options, through July 31, 2020 and to increase the maximum contract sum by $153,615 for each such extension period.

3. Delegate authority to the Director, or his designee, to amend the Agreement to: (1) add, delete, and/or change non-substantive terms and conditions in the Agreement, and/or make any necessary changes as required by State or Federal laws; (2) approve modifications of the statement of work; (3) approve additional programmatic and

administrative workflow changes, including modifications to DHS operational protocols reflected in the Agreement and the scope of work; and (4) expend pool dollars for optional work as described in the Agreement, with all actions subject to the review and approval by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The Medical Education Management System (MEMS) provides institutional oversight for DHS sponsored residency programs at LAC+USC Medical Center (LAC+USC MC), Harbor-UCLA Medical Center (H-UCLA MC), and Olive View-UCLA Medical Center (OV-UCLA MC) through respective medical school affiliations with Keck School of Medicine of University of Southern California and David Geffen School of Medicine at the University of California, Los Angeles. DHS' sponsored residency programs collectively train nearly 1,500 resident physicians among over 100 programs. MEMS supports compliance with the Accreditation Council for Graduate Medical Education) (ACGME)'s graduate medical education (GME) training requirements, including data collection of demographics, rotation schedules, procedures, evaluations and duty hours specific to each residency program. The MEMS also supports cost reporting for purposes of Medicare reimbursements.

Approval of the first recommendation will allow the Director to execute an Amendment, substantially similar to Exhibit I, with Verinform to extend the current Agreement that is scheduled to expire on July 31, 2015, for the continued provision of maintenance, support, and training for MEMS currently used by DHS.

The first recommendation assigns and delegates the Agreement from Verinform to MyEvaluations. The Agreement was executed with Verinform Systems, Inc. in 2006. In 2010, Verinform Systems, Inc. began providing certain of its software via MyEvaluations, Inc., an affiliated company. During its assessment of the Agreement for extension and after discussions with Verinform, DHS understood that Verinform's updated platform and new software is being provided by MyEvaluations. In order for the Department to realize the benefits from this MEMS platform upgrade and eventually transition all of its facilities to the upgraded platform, an assignment and delegation to MyEvaluations is the most sensible contractual strategy.

Moreover, approval of the first recommendation will further expand the Agreement's statement of work to provide for optional, unanticipated deliverables, and the services necessary to upgrade the MEMS platform currently operational at OV-UCLA MC and H-UCLA MC. To minimize disruption during DHS' critical electronic health record (EHR) implementation, the Department has elected to upgrade the legacy platform currently provided by Verinform. The platform upgrade will have a wide-range of benefits, including increased mobile accessibility for system end-users. In fact, LAC+USC MC's GME programs transitioned to MyEvaluation's upgraded MEMS platform in July 2014.

Approval of the second recommendation will allow the Director, or his designee, to extend the Agreement term at DHS' discretion by exercising two (2) optional, one-year term extensions.

Approval of the third recommendation will authorize the Director, or his designee, to amend the Agreement to implement modifications in accordance with the Agreement's terms and conditions, to expend pool dollars to obtain optional work in the form of professional services, training, software and hardware upgrades, and to perform administrative contractual changes to the Agreements as required by applicable law, and as required by the Board or CEO.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operation Effectiveness/Fiscal Sustainability; and Goal 3, Integrated Services Delivery, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

With this Amendment, the County's maximum contract sum will be increased by $495,152, from $947,350 to $1,442,502, for the agreement period ending July 31, 2018. If DHS exercises two additional one year extensions, the County's maximum contract sum will increase by an additional $307,230 for a potential maximum contract sum of $1,749,732.

Funding for the recommended actions is included in the Fiscal Year (FY) 2014-15 Adopted Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Board approved an Agreement with Verinform on July 5, 2006, for the provision of MEMS hosting and professional services for DHS residency programs. Subsequent amendments incorporated Board and legally required provisions, and extended the term. On July 6, 2010, the Board approved Amendment No. 3 to transfer the MEMS license, maintenance and support costs from the initial purchase order into the Agreement, accounted for related training and professional services costs, and delegated authority to the Director to extend the Agreement. The latest Amendment No. 6 extended the Agreement term through July 31, 2015.

The Agreement may be terminated for convenience by the County upon 30 days prior written notice.

The Agreement includes all Board of Supervisors' required provisions, including the most recent provision – Time Off for Voting.

The MEMS services are highly specialized and proprietary, and are not available by the County. Therefore, the Agreement is not subject to the Living Wage Program (Los Angeles County Code Chapter 2.201) and is exempt from Proposition A (Los Angeles County Code Chapter 2.121).

County Counsel has approved Exhibit I as to form. The Chief Information Officer concurs with the Department's recommendation and that office's analysis is attached (Attachment A).

CONTRACTING PROCESS

The Internal Services Department (ISD) initially procured the MEMS under a competitively bid Invitation for Bid (ITB). The resulting purchase order was awarded to Verinform to provide implementation, training and ongoing system maintenance.

The Board approved a sole source Agreement with Verinform in July 2006 to continue providing hosting services for the MEMS, as the maximum amount of ISD's purchasing authority for services would have been exceeded. This Amendment ensures continuity of services and maintains a stable MEMS as well as providing the County with the benefits of an upgraded platform, in alignment with the Department's strategy to minimize changes to the IT environment as ORCHID continues to roll out at DHS facilities. Further, MEMS occupies a relatively small niche market, given these systems are limited to teaching hospitals and institutions that sponsor GME programs.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will ensure continued and uninterrupted access and use of the MEMS, and ensure that DHS continues to comply with accreditation requirements for all of its resident physician training programs.

Respectfully submitted,	Reviewed by:
Mitchell H. Katz, M.D. Director	Richard Sanchez Chief Information Officer

MHK:jl

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES
12860 CROSSROADS PARKWAY SOUTH • CITY OF INDUSTRY, CALIFORNIA 91746
Tel (562) 908-8400 • Fax (562) 695-4801

SHERYL L. SPILLER
Director

PHIL ANSELL
Chief Deputy

July XX, 2015

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

Dear Supervisors:

RECOMMENDATION TO APPROVE AMENDMENT NUMBER ONE TO THE LOS ANGELES ELIGIBILITY, AUTOMATED DETERMINATION, EVALUATION AND REPORTING SYSTEM (LEADER REPLACEMENT SYSTEM) INFORMATION TECHNOLOGY AGREEMENT WITH ACCENTURE, LLP

CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ( ) DISAPPROVE ( )

SUBJECT

This is a joint recommendation by the Department of Public Social Services (DPSS) and the Chief Information Officer (CIO) that the Board approve Amendment Number One to the LEADER Replacement System (LRS) Agreement (County Agreement Number 77863). This Amendment will provide necessary funding for modifications to the LRS to support the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) interface, the Approved Relative Caregiver (ARC) program, and other Regulatory and Administrative (R&A) County, State and Federal mandates or requirements during the Design, Development and Implementation (DD&I) phase of the LRS project.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and instruct the Mayor to sign Amendment Number One (Attachment I) to the LRS Agreement, which will authorize the increase to the Total Maximum Contract Sum during the initial term by $15,265,804 from $577,148,461 to $592,414,265.

2. Delegate authority to the DPSS Director to accept additional, dedicated State and Federal funds (with no County share of cost), not to exceed 2% of the Total Maximum Contract Sum, to support implementing modifications to the LRS for new and/or changes to existing high priority State and Federal programs and policies.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this recommended action is to allow DPSS to amend the LRS Agreement to add $15,265,804 in funds to allow work to continue with incorporating anticipated and unanticipated regulatory and administrative changes to the LRS design. This work includes system modifications to support the changes to California Healthcare Eligibility, Enrollment and Retention System (CalHEERS), the California Health Benefits Exchange (HBEx), the Patient Protection and Affordable Care Act of 2010 (ACA,) the Approved Relative Caregiver (ARC) program and other R&A changes.

CalHEERS

In March 2010, the Patient Protection and Affordable Care Act of 2010 (ACA) was passed by Congress and signed by the President. The ACA authorizes the establishment of Health Benefit Exchanges in every state. Exchanges provide access to subsidies to reduce the cost of health coverage. In addition, the ACA expands Medi-Cal eligibility to all non-elderly individuals with incomes up to 138% of the federal poverty level. These changes are intended to provide all US citizens and legal residents with access to affordable health coverage; allow individuals, families, and small employers to evaluate their health plan options; help people apply for publicly subsidized health coverage programs; and facilitate enrollment in health coverage that best meets their needs.

The State of California's centralized system, CalHEERS, provides Californians with access to the health coverage opportunities that are available under the ACA. The system includes an Internet portal where individuals and small employers can sign up for health coverage for themselves or their employees, and see what subsidies are available. The system allows enrollees to shop for and compare plans based on price, benefits, out-of-pocket costs, and plan quality measures.

As Covered California continues to implement new functionality in the CalHEERS system, Statewide Automated Welfare Systems (SAWS) are required to make changes into each system's case management and reporting functions as well as to interface between CalHEERS and SAWS. This requires additional vendor hours in order to complete the mandated State and Federal requirements. Therefore, DPSS recognizes the needs to increase the Contractor services to the LRS allocation to support changes to CalHEERS and/or the California Health Benefits Exchange (HBEx) in order to provide continued health care services to the participant population.

Approved Relative Caregiver (ARC) Funding Option Program

The ARC Program enacted by Senate Bill (SB) 855 (Chapter 29, Statutes of 2014), effective January 1, 2015, increases payments to children placed in foster care with relative caregivers when the children are not eligible for federal foster care benefits, which are higher than the CalWORKs benefits these children typically receive. This county-optional program provides funding for participating counties to make per-child, per-month payments to approved relative caregivers on behalf of eligible children in an amount equal to the basic foster care rate paid to Aid to Families with Dependent Children-Foster Care (AFDC-FC) providers.

With State funding available to counties who would like to better support foster children by placing them with relatives, DPSS is required to provide ARC modifications to enable Los Angeles County to better serve its citizens and to take advantage of this program opportunity.

Regulatory and Administrative (R&A) Changes

R&A changes are required to ensure the LRS complies with mandated County, State and Federal policy and program requirements during the DD&I phase of the LRS project. Examples of such changes are listed below:

- Welfare to Work (WTW) 24 Month Clock Automation;
- CalFresh COLA and CalWORKs MAP increase;
- Mid-Period change Household Composition;
- Required Modifications to Existing State Reports; and
- Your Benefits Now (YBN) Alternative Login Credentials.

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 service.

FISCAL IMPACT/FINANCING

Amendment Number One increases the Total Maximum Contract Sum for the initial term by $15,265,804 from $577,148,461 to $592,414,265. The aggregate Total Maximum Contract Sum for the LRS Agreement, including the initial term and the optional extended term, will increase from $730,708,771 to $745,974,575.

Costs for Fiscal Year (FY) 2015-16

The estimated cost for Contract Year 3 is $13,265,804. These costs will be subvented by the State and Federal revenue in the estimated amount of $12,339,804. The Net County Cost (NCC) is approximately $866,000.

Costs for Fiscal Year (FY) 2016-17

The estimated cost for Contract Year 4 is $2,000,000. These costs will be subvented by the State and Federal revenue in the estimated amount of $1,826,000. The Net County Cost (NCC) is approximately $174,000.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

This Board Letter and associated Amendment were reviewed by the Chief Executive Office and approved as to form by County Counsel. As with the existing LRS Agreement, outside counsel, Mitchell, Silberberg & Knupp LLP, reviewed and commented on the Board Letter and Amendment in accordance with the Board's policy regarding technology contracts.

All terms and conditions, including information technology provisions which are part of the current Agreement, will continue to apply to the Agreement following execution of the proposed Amendment Number One. In addition, Countywide policies regarding Time Off for Voting and Data Destruction (which were implemented after award of the LRS Agreement to Accenture in November 2012), were included in the Amendment.

This is not a Prop A Contract and accordingly is exempt from the requirements of the Living Wage Ordinance.

State and Federal Approval

The funding approval for Amendment Number One has been received from the requisite State and Federal agencies.

CONTRACTING PROCESS

Accenture LLP was selected via a competitive solicitation and evaluation process. On November 7, 2012, the Board awarded an eleven-year contract (with the option for three additional years) to Accenture to design, develop, implement, operate, and maintain an automated welfare system called the LRS.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of Amendment Number One to the LRS Agreement will support compliance with current program and policy in the LRS, to comply with State and Federal regulatory policy changes to support over 16,000 users and will continue to provide public assistance services to over 3.5 million constituents of the County of Los Angeles.

CONCLUSION

Upon the Board's approval, the Acting Executive Officer, Board of Supervisors is requested to return three original signed copies of the Amendment 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
County Counsel
Acting Executive Officer, Board of Supervisors
Auditor-Controller
Chief Information Officer

COUNTY OF LOS ANGELES
CHIEF INFORMATION OFFICE
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July 7, 2015

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

Dear Supervisors:

APPROVAL OF INFORMATION TECHNOLOGY FUNDS FOR COUNTYWIDE MASTER DATA MANAGEMENT (CWMDM) SYSTEM AND EXECUTION OF WORK ORDERS FOR CONSULTING SERVICES WITH INTERNATIONAL BUSINESS MACHINES CORPORATION
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

The Chief Information Officer is requesting Board authorization to utilize $1,800,000 from the County's Information Technology Fund to implement the Countywide Master Data Management System and authorize the execution of three (3) Work Orders with International Business Machines Corporation (IBM).

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve $1,800,000 from the County's Information Technology Fund (ITF) to implement the Countywide Master Data Management (CWMDM) Shared Infrastructure.

2. Approve execution of three (3) Work Orders and any necessary Change Orders, for consulting services under the Master Services Agreement (MSA) with IBM, for the installation, configuration, and implementation of the Countywide Master Data Management Shared Infrastructure and departmental Master Data Management systems for DMH and DCFS at a maximum amount not to exceed $3,124,413.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The ITF was established to fund countywide or multi-departmental technology projects that improve the delivery of services to the public, generate operational improvements to one or more departments or programs, and improve inter-departmental or interagency collaboration.

The Office of the CIO is implementing the CWMDM Shared Infrastructure in an effort to improve client identity management across all County service domains and provide a single view of the client. CWMDM would build a common platform for all County departments to develop Master Person Index systems to enable the County's health, social services, and public safety departments to share client data using a common registry of person identity records. The identification of common clients is a prerequisite to sharing client data for coordination of care and facilitate service integration.

The initial phase includes participation by the Departments of Children and Family Services (DCFS) and Mental Health (DMH). Approval of the recommended action will authorize the Office of the CIO to execute three (3) fixed-price Work Orders using the IBM Master Service Agreement to obtain implementation services to establish:

1. A Countywide CWMDM Shared Infrastructure (linking departmental Master Person Records); and the onboarding of DMH, DCFS, and DHS dMPI systems onto the Countywide CWMDM;

2. Departmental Master Person Index system for the Department of Mental Health that will be integrated with the Integrated Behavioral Health Information System; and

3. Departmental Master Person Index system for the Department of Children and Family Services. This dMPI system will integrate with an Oracle database that replicates data from CWS/CMS.

CWMDM and the two departmental MDM systems (for DMH and DCFS) will be hosted at the County data center and managed by the Internal Services Department.

Implementation of Strategic Planning Goals

The recommendation is consistent with the principles of County 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. It is also consistent with the principles of the County's Strategic Plan, Goal 3: Integrated Services Delivery: Maximize opportunities to measurably improve client and community outcomes and leverage resources through the continuous integration of health, community, and public safety services.

FISCAL IMPACT/FINANCING

CWMDM is funded in equal proportions of $1,800,000 from the Productivity Investment Fund from the Quality and Productivity Commission, CEO Information Technology Fund and CIO ITF. Funding for the ongoing maintenance and support costs of the systems will be identified within the participating department's existing resources in future fiscal years. The ongoing cost of the Countywide MDM instance (CWMDM) will be distributed to the participating departments based on the number of department's Master Person records in the Shared Infrastructure.

FACTS AND PROVISIONAL/LEGAL REQUIREMENTS

CWMDM will to identify common clients and facilitate data sharing within County, State and Federal privacy and security laws, regulations and guidelines.

CONTRACTING PROCESS

On February 20, 2007, your Board approved an IBM MSA that allows County departments to acquire IBM software and application server consulting services. These MSAs offer a structure for acquiring needed services through a streamlined acquisition process that is standard across the entire enterprise. Under the MSA, Board authorization is required for Work Orders over $300,000.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

CWMDM will reduce the time required to identify common clients among participating departments and will facilitate the data sharing across departments for better service integration and coordination of care and service delivery.

CONCLUSION

Upon your Board's approval, the Executive Officer, Board of Supervisors, is requested to return three (3) original signed copies of the agreement and one (1) adopted stamped Board Letter to the Office of the CIO.

Respectfully submitted,

RICHARD SANCHEZ
Chief Information Officer

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors