



## County of Los Angeles CHIEF EXECUTIVE OFFICE OPERATIONS CLUSTER

SACHI A. HAMAI  
Chief Executive Officer

**DATE:** July 20, 2017  
**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 – Dorinne Jordan/Gevork Simdjian
  - A) **Board Letter – AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE AN AGREEMENT WITH THE WORKER EDUCATION AND RESOURCE CENTER, INC. TO PROVIDE WORKFORCE DEVELOPMENT SERVICES**  
CEO – Doug Baron
  - B) **Board Letter – APPROVE AMENDMENT NUMBER NINE TO AGREEMENT NUMBER 74666 WITH SYSCON JUSTICE SYSTEMS CANADA LTD. AND SYSCON JUSTICE SYSTEMS, INC. TO PROVIDE UPGRADES TO THE JAIL INFORMATION MANAGEMENT SYSTEM**  
LASD – Scott Goodwin and Angelo Faiella
  - C) **Board Letter – AUTHORIZE AN AGREEMENT WITH LA FINANCIAL CREDIT UNION TO PROVIDE AN AUTOMATIC TELLER MACHINE AT THE REGISTRAR-RECORDER/COUNTY CLERK HEADQUARTERS LOCATION**  
RRCC – Dean Logan or designee
  - D) **Board Letter – APPROVAL OF THE CALIFORNIA AUTOMATED CONSORTIUM ELIGIBILITY SYSTEM (CALACES) JOINT POWERS AUTHORITY AGREEMENT, MEMORANDUM OF UNDERSTANDING, AND ASSIGNMENT OF THE LRS AGREEMENT, LRS ASSETS, AND LRS QA SERVICES AGREEMENT**  
DPSS – Michael Sylvester
  - E) **Update on Security and Data Sharing**  
CIO – Peter Loo
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  
Chief Executive Officer

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

August 1, 2017

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

**DRAFT**

Dear Supervisors:

**AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE AN AGREEMENT  
WITH THE WORKER EDUCATION AND RESOURCE CENTER, INC.  
TO PROVIDE WORKFORCE DEVELOPMENT SERVICES  
(ALL DISTRICTS AFFECTED) (3 VOTES)**

**SUBJECT**

Approval of the recommended actions will authorize the Chief Executive Officer to execute an agreement with the Worker Education and Resource Center, Inc. to provide workforce development services for the County of Los Angeles.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Authorize the Chief Executive Officer, or her designee, to execute an agreement with the Worker Education and Resource Center, Inc. for a not-to-exceed total fee of [\$800,000] through June 30, 2018. The statement of work will be substantially similar to Attachment A and has been approved as to form by the Office of the County Counsel.
2. Authorize the Chief Executive Officer, or her designee, to amend the agreement, including the statement of work, as needed with approval as to form by the Office of the County Counsel.
3. Authorize the Chief Executive Officer, or her designee, to exercise the options for two, one-year extensions for a potential contact term through June 30, 2020 with review and approval by the Office of the County Counsel.

*"To Enrich Lives Through Effective And Caring Service"*

*Please Conserve Paper – This Document and Copies are Two-Sided  
Intra-County Correspondence Sent Electronically Only*

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

Approval of the recommended actions will enable the Chief Executive Officer (CEO) to work with the Worker Education and Resources Center, Inc. (WERC or Contractor) to develop a strategic plan for excellence in workforce development services focused on current and prospective County employees. The plan will include the design and execution of critical pilot programs to address occupational shortages, improve equity and cultural competency, and improve County service delivery, while aligning opportunities with targeted workers facing barriers to employment.

With the County's increased focus on economic development, and notably, workforce development, the CEO must centralize the strategic focus of the County's job training and recruitment programs by leveraging the work currently being done across departments. Approval of the agreement (Agreement) between the County and WERC is complementary to the Board's ongoing objective to identify and promote career paths for workers in the private sector. Under the direction of the CEO, WERC will seek to establish similar workforce objectives for career opportunities in the County. To the extent that workforce development strategies can be applied towards both private sector and County objectives, WERC will seek to identify and foster such opportunities. The objective being to build a more dynamic workforce that provides meaningful assistance to those individuals facing the greatest barriers to economic success.

The CEO has identified WERC as the appropriate party for this assignment given its proven record of assisting the County in addressing workforce shortages in critical occupations such as nursing, medical record coding, medical assistants, MRI technicians and other essential health care positions. WERC was founded in 2001 to operate as a labor-management intermediary to plan and provide workforce development educational programs for employees of the County of Los Angeles Department of Health Services represented by the Service Employees International Union. WERC is a non-profit 501(c)(3) organization.

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

The recommended actions support County Strategic Plan Strategy II.1 (Driving Economic and Workforce Development in the County) Objective 3, Coordinate Workforce Development, by developing an implementation plan to enhance workforce development programs in the County.

### **FISCAL IMPACT/FINANCING**

Approval of the Agreement will not result in any increase to Net County Cost in Fiscal

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Year 2017-18. The Agreement with WERC will be set at a contract sum not to exceed [\$800,000] and will be paid with funding approved by the Board in the Fiscal Year 2017-18 Adopted Budget. Options to extend the Agreement will only be executed if funding is available in future budgets approved by the Board for Fiscal Years 2018-19 and 2019-20. Further, to the extent that additional funding is available through the Workforce Innovation and Opportunity Act (WIOA) program, such monies may be utilized, where appropriate, to offset Net County Cost expenditures.

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

In October 2015, the Board approved the creation of an Economic Development Trust Fund to encourage business growth and create job opportunities in the County. This action spurred the County's strategic investment in economic development, and initiated a new effort to secure the vitality of the local economy and support high-growth industries. To that end, the CEO established an Economic Development Unit to coordinate and execute the strategic initiatives of both the Board and the newly-formed Economic Development Policy Committee.

The CEO's Economic Development Unit has prioritized the need for expertise in analyzing and making recommendations to improve the County's workforce development programs, small business incentives, and public-private partnerships. To date, efforts surrounding workforce development have largely focused on programs designed to aid the external County workforce. Approval of this Agreement will demonstrate a like effort to improve the efficacy and equity of job training and recruitment programs specific to the County workforce. Consistent with Board initiatives such as the Local and Targeted Worker Hire Policy, the Agreement with WERC will also seek to align County employment opportunities (for in-demand occupations) with targeted workers experiencing ongoing barriers to employment.

The Agreement with WERC will serve to fund a staff of several workforce development professionals who will initially be tasked with completing an environmental scan of current workforce development programs focused on County occupations and career paths. Additional deliverables will include a labor market analysis, equity audit, contracts audit, pre-employment training services, and the development of pilot programs for enhanced workforce development services. The objective with each of these deliverables is to better prepare the County for its future workforce demands, and to do so through a program that emphasizes equity and enhanced opportunity for targeted workers.

The Agreement to be executed with WERC will utilize the standard CEO contract template and contain terms and conditions supporting the Board's ordinances, policies, and programs, including, but not limited to: Child Support Compliance Program; Contractor Responsibility and Debarment; Contractor Employee Jury Service Program; Defaulted

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Property Tax Reduction Program; County's Greater Avenues for Independence (GAIN) and General Relief Opportunities (GROW) Programs; Report of Improper Solicitations; Contract Language to Assist in Placement of Displaced County Workers; and Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law).

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommended actions will provide for enhanced coordination and alignment of existing workforce development programs, and foster the creation of new programs to address the occupational needs and priorities of the County. There will be no disruption to any ongoing services provided by WERC to County departments.

**CONCLUSION**

Upon approval of the recommended actions, please provide an adopted copy to the Chief Executive Office, Contracts Unit, Room XXX of the Kenneth Hahn Hall of Administration.

Respectfully submitted,

SACHI A. HAMAI  
Chief Executive Officer

SAH:JJ:

Attachment

c: Executive Office, Board of Supervisors  
County Counsel

August 8, 2017

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

Dear Supervisors:

**APPROVE AMENDMENT NUMBER NINE TO AGREEMENT NUMBER 74666  
WITH SYSCON JUSTICE SYSTEMS CANADA LTD. AND SYSCON JUSTICE  
SYSTEMS, INC. TO PROVIDE UPGRADES TO THE  
JAIL INFORMATION MANAGEMENT SYSTEM  
(ALL DISTRICTS) (3 VOTES)**

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

**SUBJECT**

The Los Angeles County (County) Sheriff's Department (Department) is seeking the Board's approval and execution of Amendment Number Nine (Amendment) to Agreement Number 74666 (Agreement) with Syscon Justice Systems Canada Ltd. and Syscon Justice Systems, Inc. (Syscon). The Amendment will increase the Maximum Contract Sum of the Agreement to allow for critical upgrades to the Department's Jail Information Management System (JIMS).

**IT IS RECOMMENDED THAT THE BOARD:**

Approve and instruct the Chairman of the Board to sign the attached Amendment to the Agreement with Syscon, to increase Contract Pool Dollars by \$500,000, for a total Maximum Contract Sum not to exceed \$6,586,040 for the term of the Agreement.

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

Approval of this action will allow the Department to engage Syscon to provide professional services for the migration of existing JIMS modules from Oracle Database (Oracle) version 10g to Oracle version 12c, and to correct any defects that may arise during the migration.

The migration of existing JIMS modules, supported by this Amendment, is necessary to maintain compliance and supportability of the mission-critical JIMS solution.

The application tier is running on Microsoft Windows Server 2003 operating system (OS) and JIMS is running on Oracle version 10g release 2. The OS is no longer supported by Microsoft and, as a result, no more OS patches are being provided to remedy security risks. Furthermore, recent security updates to the Department's backup solution disabled our ability to backup either the OS or JIMS. Although the provider of the backup solution advised us of this restriction, we had to proceed in order to mitigate other overriding risks. This is a major concern, as neither the OS nor the JIMS application have any backup/restore capabilities in the event of a catastrophic failure. The Department has made preparations to upgrade the OS; however, the JIMS application tier must be upgraded first to ensure its successful migration to the new OS environment.

Finally, migrating the existing JIMS modules will restore premier software support from Oracle.

The Department is currently evaluating a strategic approach to the modernization of its jail information systems. The Department will work with the Chief Information Officer throughout the process.

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

The recommended action is consistent with the principles of the County's Strategic Plan, Strategy III.2, Embrace Digital Government for the Benefit of Our Internal Customers and Communities by supporting the implementation of technological enhancements that increase efficiency, thereby enabling the Department to accurately and effectively track and process inmates through the Jails.

### **FISCAL IMPACT/FINANCING**

The Department has identified sufficient funding within its operating budget for the proposed Amendment Number Nine.

The Amendment will increase the Pool Dollars allocated for provision of optional work by \$500,000 for a Maximum Contract Sum of \$6,586,040. The Department will use the available Pool Dollars to pay for Syscon's professional services to migrate JIMS modules to Oracle version 12c, with an estimated cost of \$365,023. The balance of Pool Dollars will be used by the Department for Syscon's professional services for any necessary additional upgrades requested by the County throughout the term of the Agreement, which expires on August 17, 2019.

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

On December 2, 2003, the Board approved the Agreement between the County and Syscon Justice Systems Limited (predecessor to Syscon) as a Sole Source Agreement. The Department advised the Board of the development of a three-phased implementation plan for JIMS to enhance and integrate various legacy stand-alone systems of the Department's Custody Division. The Agreement, as originally approved by the Board, provided for the implementation of Phase 1 of JIMS. The County accepted all modules included in Phase 1 of JIMS on May 23, 2008, except for the modules the parties agreed would be moved to later phases. Phase 1 of this project was successfully implemented.

On February 3, 2009, the Board approved Amendment Number One to the Agreement, which reflected the internal reorganization of Syscon Justice Systems Limited into Syscon Justice Systems Canada Ltd. Amendment Number One extended the term of the Agreement to provide continued maintenance and support (Services) to JIMS and to increase the Maximum Contract Sum to include funds for the continued Services. The Department also advised the Board that Phase 2 and Phase 3 would be consolidated into a single Phase 2 with multiple implementation stages.

On August 18, 2009, the Board approved Amendment Number Two to the Agreement, which moved the implementation of certain work from Phase 1 of JIMS to later implementation stages of Phase 2, extended the term of the Agreement and allowed the Department to acquire additional software and Services for Phase 2 of JIMS.

On August 16, 2011, the Sheriff, having delegated authority from the Board, executed Amendment Number Three to the Agreement to exercise the first one-year extension option, which allowed for the completion of the implementation of Phase 2 and for continued provision of Services relating to JIMS, made changes to certain exhibits and schedules to the Agreement, and delegated authority to the Sheriff to exercise the remaining optional extension periods.

On August 18, 2012, the Sheriff executed Amendment Number Four to the Agreement, to exercise the second one-year extension option, which allowed for the completion of

the implementation of Phase 2, made changes to certain exhibits and schedules to the Agreement, and increased the Maximum Contract Sum by \$287,599 for a total Maximum Contract Sum of \$5,887,584 for continued provision of Services relating to JIMS.

On August 18, 2013, the Sheriff executed Amendment Number Five to the Agreement, to exercise the third and final one-year extension option, which made changes to certain exhibits and schedules to the Agreement and increased the Maximum Contract Sum by \$198,456, for a total Maximum Contract Sum of \$6,086,040 for continued provision of Services relating to JIMS.

On August 5, 2014, the Board approved Amendment Number Six to the Agreement to extend the term of the Agreement from August 18, 2014 to August 17, 2016, which allowed for continued provision of Services relating to JIMS, restructured the phased implementation plan, made changes to certain exhibits and schedules to the Agreement, and delegated authority to the Sheriff to exercise up to three (3) additional one-year extension options.

On August 15, 2016, the Sheriff executed Amendment Number Seven to the Agreement to exercise the first one-year extension option added under Amendment Number Six, which allowed for continued provision of Services relating to JIMS and made changes to certain exhibits and schedules to the Agreement.

On June XX, 2017, the Sheriff executed Amendment Number Eight to the Agreement to exercise the second one-year extension option added under Amendment Number Six, which allowed for continued provision of Services relating to JIMS.

### **CONTRACTING PROCESS**

During Fiscal Year 2001-02, the Department solicited for information for Commercial Off-The-Shelf software solution(s) through the County's Internal Services Department (ISD) to update the Department's inmate management system. The Department and ISD then conducted a detailed evaluation of the five vendors that responded regarding their products and associated costs. Syscon Justice Systems Limited (i) offered the lowest cost product with the best functional and technical fit of all the jail management software vendors that responded; and (ii) was the only vendor that offered a complete web-based product. Syscon Justice Systems Limited was subsequently selected as the highest rated vendor. On December 2, 2003, the County entered into Sole Source Agreement Number 74666 with Syscon Justice Systems Limited.

The Amendment adds to the Agreement certain County-required provisions, including Contractor's Protection of Electronic County Information, the Zero Tolerance Policy on

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8/8/2017  
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Human Trafficking, and Contractor's Acknowledgement of County's Commitment to Safely Surrendered Baby Law.

County Counsel has reviewed as to form and recommends approval of this Amendment.

The Chief Information Office (CIO) recommends approval of this action (CIO Analysis attached).

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of this action will ensure the continued operation of JIMS and enable the Department's Custody Operations Division to perform its legally mandated responsibilities more efficiently, accurately, and securely.

**CONCLUSION**

Upon approval by the Board, please return two adopted copies of this Board letter and two original executed copies of the Amendment to the Department's Contracts Unit.

Sincerely,

Reviewed by:

JIM McDONNELL  
Sheriff

PETER LOO  
A/Chief Information Officer

JM:TL:tl  
(Fiscal Administration-Contracts Unit)

- c: Board of Supervisors, Justice Deputies  
Lori Glasgow, Executive Officer, Board of Supervisors  
Sachi A. Hamai, Chief Executive Officer  
Sheila Williams, Senior Manager, Chief Executive Office (CEO)  
Rene Phillips, Manager, CEO  
Jocelyn Ventilacion, Lead Analyst, CEO  
Aileen Yu, Senior Analyst, CEO  
Mary C. Wickham, County Counsel  
Victoria Mansourian, Principal Deputy County Counsel  
Peter Loo, Acting Chief Information Officer, Chief Information Office (CIO)  
Fred Nazarbegian, CIO  
Elizabeth D. Miller, Chief Legal Advisor, Legal Advisory Unit  
Jacques A. La Berge, Undersheriff  
Kelly L. Harrington, Assistant Sheriff  
Jill Serrano, Chief Financial and Administrative Officer  
Warren R. Asmus, Chief of Staff  
Dean M. Gialamas, Division Director, Technology and Support Division (TSD)  
Conrad Meredith, Acting Division Director, Administrative Services Division (ASD)  
Joanne Sharp, Chief, Custody Services Division  
Bill I. Song, Commander, TSD  
Paul E. Drake, Captain, Data Systems Bureau (DSB)  
Glen Joe, Director, Fiscal Administration Bureau (FAB)  
Susie Cousins, Assistant Director, FAB  
Scott Goodwin, Information Technology Manager III, Custody Division/DSB  
Henry M. Garza, Lieutenant, DSB  
Angelo Faiella, Manager, FAB, Contracts Unit  
Andrew M. Dahring, Sergeant, ASD  
India M. Inez, Deputy, ASD  
Denise Y. Oliver, Contracts Analyst, FAB, Contracts Unit  
Tony Liu, Contract Analyst, FAB, Contracts Unit  
(for BOS Team only - type in where the letter can be found in the shared files, title and date of the letter)



## Los Angeles County Registrar-Recorder/County Clerk

DEAN C. LOGAN  
Registrar-Recorder/County Clerk

August 8, 2017

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:

**AUTHORIZE AN AGREEMENT  
WITH LA FINANCIAL CREDIT UNION TO PROVIDE AN AUTOMATIC TELLER MACHINE  
AT THE REGISTRAR-RECORDER/COUNTY CLERK HEADQUARTERS LOCATION  
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

**SUBJECT:**

This Board Letter seeks approval of an agreement with LA Financial Credit Union to install, maintain, and service one (1) Automatic Teller Machine (ATM) in the Department of Registrar-Recorder/County Clerk (RR/CC) Headquarters facility located at 12400 Imperial Hwy, Norwalk, CA 90650 for use by the general public and County employees.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve the attached agreement and delegate authority to the Registrar-Recorder/County Clerk, or designee, to execute the Agreement with LA Financial Credit Union (LA Financial) for the installation of an ATM at RR/CC Headquarters located at 12400 Imperial Hwy, Norwalk, CA 90650 for a five (5) year term with the option to add automatic one-year renewals for a total of ten (10) years, at no cost to the County. There is no impact to the County general fund.
2. Delegate authority to the Department Head, or designee, to negotiate and execute amendments and/or terminate the agreement, in whole or in part, as deemed in the best interest for the County provided that County Counsel approval is obtained (a) prior to initiating any such action and (b) of the amendment or termination.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

On April 2, 2012 your Board approved the installation of a LA Financial Credit Union ATM at RR/CC. This ATM was located in the main public lobby area. Access to the ATM for County and the general public was limited to RR/CC business hours from 8:00AM to 5:00PM. LA Financial Credit Union approached the Department and asked to terminate the agreement and remove the ATM. The ATM was unprofitable due to it being inaccessible beyond business hours and weekends. According to LA Financial, the ATM cost substantially more to maintain than the profits being collected in transaction fees. In an effort to keep the ATM operational, RR/CC proposed to change the location of the ATM to outside the main entrance so that it could be accessed twenty-four (24) hours a day day/seven (7) days a week. The new location will be more visible and would increase the potential for profitability as well as allow RR/CC to keep the ATM operational for its customers.

RR/CC serves hundreds of walk-in customers daily. The customers are usually filing documents for recording or requesting copies of various types of documents for which a fee is involved. An ATM at our location offers assistance to customers seeking to obtain cash if the need arises. The ATM can also be used by County employees at RR/CC Headquarters and surrounding facilities that house other County offices such as DCFS, DPSS, Sheriffs, Library, etc., saving time and resources to perform simple banking needs. Needless to say, this ATM provides a rather valuable service to the members of the public, residents and employees.

**Implementation of Strategic Plan Goals:**

**Goal No. 1: Operational Effectiveness:** Maximize the effectiveness of processes, structure, and operations to support timely delivery of customer-oriented and efficient public services by making cash available to customers to complete transactions.

**FISCAL IMPACT/ FINANCING:**

The cost to install the ATM in a different area ranges from \$15,000 - \$20,000 and will be paid for by LA Financial Credit Union. It also includes the servicing of the ATM and other maintenance related services to the equipment. RR/CC will allow the ATM to occupy the space free of charge. There is no impact to Net County Cost.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

Your Board is authorized to approve the Agreement pursuant to Government Code Section 31000. RR/CC's mission provides election services in a fair, accessible and transparent manner and is responsible for registering voters, maintaining voter files, administering federal, state, local and special elections and verifying initiatives, referenda and recall petitions. Los Angeles County, with more than 500 political districts and 5.2 million registered voters, is the largest and most complex county election jurisdiction in the country.

**IMPACT ON CURRENT SERVICES (OR PROJECTS):**

Access to the ATM allows customers seeking official documents at RR/CC with an easy, efficient and convenient way to withdraw money to pay for certified copies of vital records (i.e. birth certificates), real estate records and fictitious business names. Without the ATM, customers will have to drive off-site to withdrawal money at an ATM

**CONCLUSION**

The Chief Executive Office Budget Analyst has reviewed and approved this Board letter. County Counsel has reviewed and approved this Board letter. The Chief Information Office (CIO) has reviewed and approved this Board letter. The CIO determined this recommended action contains no new Information Technology (IT) matters. Therefore, no formal CIO Analysis is required.

Respectfully submitted,

Reviewed by:

DEAN C. LOGAN

Peter Loo

Registrar-Recorder/County Clerk

Acting Chief Information Officer

DCL:RF:APL: FP

VW:ca

Enclosures

c: Chief Executive Officer  
County Counsel  
Acting Chief Information Officer

**AGREEMENT  
FOR NON-EXCLUSIVE LICENSE  
BETWEEN  
COUNTY OF LOS ANGELES  
AND LA FINANCIAL CREDIT UNION**

THIS NON-EXCLUSIVE LICENSE AGREEMENT ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 2017, by and between the County of Los Angeles ("County"), a political subdivision of the State of California, through its Department of the Registrar-Recorder/County Clerk ("RR/CC"), located at 12400 Imperial Hwy, Norwalk CA, 90650 and LA Financial ("LA Financial"), a corporate federal credit union chartered under The United States Federal Credit Union Act Charter number 2024, 1520 West Colorado Blvd., Pasadena, CA 91103. County and LA Financial are hereinafter referred to collectively as the "Parties" and each individually as a "Party."

**RECITALS:**

**WHEREAS**, the County is the owner of the real property located at 12400 Imperial Hwy, Norwalk, California 90650 and is authorized to license use of a portion of this property pursuant to Gov. Code 25537;

**WHEREAS**, LA Financial desires to enter into a non-exclusive agreement to use a small portion of said real property to install an automatic teller machine (ATM);

**WHEREAS**, the free standing ATM will be located on the exterior of the building to the left of the main entrance at RR/CC Headquarters and provide ATM banking services offered by LA Financial to the general public and County employees.

**NOW THEREFORE**, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and the mutual promises, covenants, and conditions set forth herein, the Parties hereto and each of them do agree as follows:

**1.0 LICENSED AREA**

- 1.1 County hereby provides a non-exclusive license to LA Financial and LA Financial hereby agrees to the use, upon the terms and conditions hereinafter set forth, a space identified on the exterior of the RR/CC building to the left of the main lobby entrance of RR/CC Headquarters, 12400 Imperial Hwy, Norwalk, CA 90650 as shown on Exhibit A ("Licensed Area"). The area will be open to the public and LA Financial only twenty-four hours a day/seven days a week including holidays and weekends. Said operating hours may be changed from time to time at the exclusive option of the County.
- 1.2 The Licensed Area shall be used only by LA Financial for the purpose of operating and maintaining one ATM and such other purposes as are related thereto.

- 1.3 LA Financial shall make no alterations or improvements to the Licensed Area without the express written approval of RR/CC. If approved, LA Financial will file permits with the City of Norwalk, if needed, for the installation.
- 1.4 In the event that LA Financial makes any alterations or improvements in violation of Section 1.3 of this Agreement, County may immediately and without prior notice to LA Financial exercise any or all of the following options:
- a). Require LA Financial to immediately remove all alterations and improvements and restore the Licensed Area to its pre-existing condition;
  - b). Remove the alterations or improvements and charge LA Financial for the cost of such removal;
  - c). Provide written notification to LA Financial of County's intent to retain any and all improvements installed by LA Financial in violation of Section 1.3 upon termination of the Agreement.
  - d). Terminate the Agreement and require LA Financial to vacate the Licensed Area immediately.
- 1.5 LA Financial acknowledges that LA Financial has performed a personal inspection of the Licensed Area and the surrounding area and evaluation of the extent to which the physical condition thereof will affect the Agreement. LA Financial accepts the Licensed Area in its present physical condition and agrees to make no demands upon County for any improvements or alterations thereof.
- 1.6 LA Financial hereby acknowledges the title of County and/or any other public agencies having jurisdiction herein and to the Licensed Area and covenants and agrees never to assail, contest or resist said title.

## 2.0 **TERM**

- 2.1 The term of this Agreement shall commence upon the execution of this Agreement by the Parties ("Effective Date") and run consecutively for five (5) years. The Agreement will automatically renew in one (1) year increments unless one or both Parties object or there are modifications to the Agreement which would require mutual agreement and signature of both Parties. The term of the Agreement, including renewal periods, shall not exceed ten (10) years.
- 2.2 On an annual basis the Parties shall review the Agreement for desired changes/modifications. Such review shall be completed by the Agreement anniversary date. Notifications of any changes/modifications shall be made at least 90 days prior to the Agreement anniversary date. Changes/modifications to the Agreement shall be executed per Paragraph 2.3 of this Agreement.
- 2.3 This Agreement may be modified or amended only upon the mutual written consent of the Parties.

- 2.4 The Registrar-Recorder/County Clerk Department Head, or his designee, shall have the authority to administer, amend, and/or terminate this Agreement, as necessary, on behalf of the County for the term of the Agreement.
- 2.5 Either Party may terminate this Agreement by giving thirty (30) days prior written notice to the other Party hereto.

### 3.0 **PAYMENT**

LA Financial shall be granted gratuitous lease for the initial 5 year term of the agreement and renewal options.

### 4.0 **OPERATING RESPONSIBILITIES**

- 4.1 Compliance with Law. LA Financial operations in and use of the Licensed Area shall conform to and abide by all County ordinances and all State and Federal laws and regulations insofar as the same or any of them are applicable; and where permits and/or licenses are required for LA Financial specific use of the Licensed Area, the same must be first obtained from the regulatory agency having jurisdiction herein. County shall maintain the Licensed Area in compliance with all applicable County ordinances and State and Federal laws and regulations.
- 4.2 Signs. LA Financial shall not post signs or advertising matter upon the Licensed Area unless prior approval thereof is obtained from the County, whose approval shall not be unreasonably withheld.
- 4.3 Sanitation. No offensive matter or refuse or substance constituting an unnecessary, unreasonable, or unlawful fire hazard, or material detrimental to the public health, shall be permitted or remain on the Licensed Area, and LA Financial shall prevent any accumulation thereof from occurring. LA Financial shall pay all charges which may be made for the removal thereof.
- 4.4 Maintenance. The County shall be responsible for maintaining the Licensed Area in good condition, including general maintenance, repairs and in clean condition. County shall not be responsible for maintaining the ATM machine or its electrical connection to the power supply.
- 4.5 Examination of Licensed Area. LA Financial shall permit authorized representatives of the County to enter the Licensed Area for the purpose of determining whether the authorized activities are being conducted in compliance with the terms of this Agreement, or for any other purpose incidental to the performance of the duties required by the Los Angeles County Code.
- 4.6 Ownership of ATM. For purposes of this Agreement, LA Financial shall be considered the owner of the ATM, and shall bear the entire risk of loss or damage to the ATM.

## **5.0 INDEMNIFICATION**

The contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers (County Indemnitees) from and against any and all liability, including but not limited to demands, claims, actions, fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County indemnitees.

## **6.0 GENERAL PROVISIONS FOR INSURANCE COVERAGE**

6.1 Without limiting contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Paragraphs 6.0 and 7.0 of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon contractor pursuant to this Contract. The County in no way warrants that the Required Insurance is sufficient to protect the contractor for liabilities which may arise from or relate to this Contract.

### **6.2 Evidence of Coverage and Notice to County**

6.21 Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Contract.

6.22 Renewal Certificates shall be provided to County not less than ten (10) days prior to contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required contractor and/or subcontractor insurance policies at any time.

6.23 Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of the contractor identified as the contracting party in this Contract. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand dollars (\$50,000), and list any County required endorsement forms.

6.24 Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the contractor,

its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

- 6.25 Certificates and copies of any required endorsements shall be mailed and e-mailed to:

County of Los Angeles Registrar-Recorder/County Clerk  
Contracts Section  
12400 Imperial Hwy. Room 5115  
Norwalk, CA 90650  
[contracts@rrcc.lacounty.gov](mailto:contracts@rrcc.lacounty.gov)

- 6.22 Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to contractor. Contractor also shall promptly notify County of any third party claim or suit filed against contractor or any of its subcontractors which arises from or relates to this Contract, and could result in the filing of a claim or lawsuit against contractor and/or County.

### 6.3 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, employees and volunteers (collectively County and its Agents) shall be provided additional insured status under contractor's General Liability policy with respect to liability arising out of contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of the contractor's acts or omissions, whether such liability is attributable to the contractor or to the County. The full policy limits and scope of protection also shall apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

### 6.4 Cancellation of or Changes in Insurance

Contractor shall provide County with, or contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

## 6.5 Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to contractor, deduct the premium cost from sums due to contractor or pursue contractor reimbursement.

## 6.6 Insurer Financial Ratings

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

## 6.7 Contractor's Insurance Shall Be Primary

Contractor's insurance policies, with respect to any claims related to this Contract, shall be primary with respect to all other sources of coverage available to contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any contractor coverage.

## 6.8 Waivers of Subrogation

To the fullest extent permitted by law, the contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Contract. The contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

## 6.9 Subcontractor Insurance Coverage Requirements

Contractor shall include all subcontractors as insureds under contractor's own policies, or shall provide County with each subcontractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each subcontractor complies with the Required Insurance provisions herein, and shall require that each subcontractor name the County and contractor as additional insureds on the subcontractor's General Liability policy. Contractor shall obtain County's prior review and approval of any subcontractor request for modification of the Required Insurance.

## 6.10 Deductibles and Self-Insured Retentions (SIRs)

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, 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.

#### 6.11 Claims Made Coverage

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Contract. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.

#### 6.12 Application of Excess Liability Coverage

Contractors may use a combination of primary and excess insurance policies which provide coverage as broad as the underlying primary policies, to satisfy the Required Insurance provisions.

#### 6.13 Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

#### 6.14 Alternative Risk Financing Programs

The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

#### 6.15 County Review and Approval of Insurance Requirements

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

### 7.0 **REQUIRED INSURANCE**

#### 7.0. INSURANCE COVERAGE

**Commercial General Liability** insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate: \$2 million

Products/Completed Operations Aggregate: \$1 million

Personal and Advertising Injury: \$1 million

Each Occurrence:

\$1 million

- 7.2 **Automobile Liability** insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.
- 7.3 **Workers Compensation and Employers' Liability** insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than one million (\$1,000,000) per accident. If contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

## 8.0 **TRANSFERS**

LA Financial acknowledges that the rights conferred herein are personal to LA Financial and do not operate to confer on or vest in LA Financial any title, interest, or estate in the Licensed Area or any part thereof, and therefore, LA Financial shall not assign, hypothecate or mortgage the Licensed Area or any portion thereof, by, through, or pursuant to this Agreement.

Further, the rights under this Agreement may not be assigned.

## 9.0 **NONDISCRIMINATION**

LA Financial certifies and agrees that all persons employed by LA Financial and/or by the affiliates, subsidiaries, or holding companies thereof are and shall be treated equally without regard to or because of race, ancestry, national origin, or sex, and in compliance with all Federal and State laws prohibiting discrimination in employment, including, but not limited to, the Federal Civil Rights Act of 1964; the Unruh Civil Rights Act; the Cartwright Act; the State Fair Employment Practices Act; and the Americans with Disabilities Act.

## 10.0 **DEFAULT**

LA Financial agrees that if default shall be made in any of the covenants and agreements herein contained to be kept by LA Financial, County may forthwith revoke and terminate this Agreement, in addition to any of County's other rights and remedies provided at law and in equity.

## 11.0 **WAIVER**

11.1 Any waiver by either Party of any breach of any one or more of the covenants, conditions, terms and agreements herein contained shall not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, condition, term or agreement herein contained, nor shall failure on the part of either Party to require exact, full and complete compliance with any of the covenants, conditions, terms or agreements herein contained be construed as in any manner changing the terms of this Agreement or stopping either Party from enforcing the full provisions hereof.

11.2 No option, right, power, remedy, or privilege of either Party shall be construed as being exhausted by the exercise thereof in one or more instances, the rights, powers, options and remedies given either Party by this Agreement shall be cumulative.

## 12.0 **SURRENDER**

Upon expiration of the term hereof or cancellation thereof as herein provided, LA Financial shall peaceably vacate the Licensed Area and deliver the Licensed Area to County in reasonably good condition.

## 13.0 **ENFORCEMENT**

The Registrar-Recorder/County Clerk, or designee, shall be responsible for the enforcement of this Agreement on behalf of County.

## 14.0 **COUNTY LOBBYIST ORDINANCE**

LA Financial is aware of the requirements of Chapter 2.160 of the Los Angeles County code with respect to County Lobbyists as such are defined in Section 2.160.010 of said Code, and certifies full compliance therewith. Failure to fully comply shall constitute a material breach upon which County may terminate or suspend this Agreement.

## 15.0 **NOTICES**

Any notice required to be given under the terms of this Agreement or any law applicable thereto may be placed in a sealed envelope, with postage paid, addressed to the person on whom it is to be served, and deposited in a post office, mailbox, sub post office, substation, mail chute, or other like facility regularly maintained by the United States Postal Service. The address to be used for any notice served by mail upon LA Financial shall be:

LA Financial Credit Union  
Linda Manship  
1520 West Colorado Blvd.  
Pasadena, CA 91105  
626-844-8101

or such other place as may hereinafter be designed in writing to the County by LA Financial. Notice served by mail or e-mail upon County shall be addressed to:

Registrar-Recorder/County Clerk  
12400 Imperial Hwy.  
Norwalk, CA 90650  
ATTN: Contracts Section, Room 5115  
[Contracts@rrcc.lacounty.gov](mailto:Contracts@rrcc.lacounty.gov)

or such other place as may hereinafter be designed in writing to LA Financial by the County. Service by mail shall be deemed complete upon deposit in the above-mentioned manner.

#### 16.0 **REPAIR OF DAMAGE**

LA Financial shall, at its sole expense, be responsible for the cost of repairing any area of the building in which the License Area is located, including the License Area, which is damaged by LA Financial or LA Financial agents, employees, invitees or visitors, including the repair of low voltage electronic, telecommunication, phone, data cabling and related equipment that is installed by or for the exclusive benefit of LA Financial. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by County, which approval shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws.

Furthermore, LA Financial shall bare all expenses associated with returning the ATM installation site to its original state if LA Financial or County opt to end this agreement before the end of the term. This includes all construction materials, labor, and any other expenses associated with returning the designated area back to its original form.

#### 17.0 **DAMAGE OR DESTRUCTION**

Should the Licensed Area or the building in which the Licensed Area is located be damaged by fire, incidents of war, earthquake, or other violent action of the elements, County shall have the option to terminate this Agreement.

#### 18.0 **SOLICITATION OF CONSIDERATION**

18.1 It is improper for any County officer, employee or agent to solicit consideration, in any form, from a contractor with the implication, suggestion or statement that the contractor's provision of consideration may secure more favorable treatment for an award of an agreement or that the contractor's failure to provide such consideration may negatively affect the County's consideration of the licensee's submission. A contractor shall not offer to or give, either, directly, or through an intermediary, consideration, in any form, to a County officer, employee or agent for the purpose of securing favorable treatment with respect to award of an agreement.

18.2 LA Financial shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in LA Financial being terminated.

19.0 **CONFLICT OF INTEREST**

No County employee whose position in County service enables him/her to influence obtaining or awarding of an agreement, and no spouse or economic dependent of such employee, shall be employed in any capacity by LA Financial, or have any other direct or indirect financial interest resulting from this Agreement.

20.0 **ACKNOWLEDGMENT OF INELIGIBILITY FOR RELOCATION ASSISTANCE**

LA Financial hereby disclaims any status as a “displaced person” as such is defined in Government Code Section 7260 and hereby acknowledges his/her ineligibility for inclusive, as interpreted in Title 25, Chapter 6, Section 6034(b) (1) of the California Administrative Code upon the future cancellation or termination of this Agreement.

21.0 **SIGNATURE AUTHENTICITY CLAUSE**

The individual(s) executing this Agreement hereby personally covenants, guarantees, and warrants that he/she has the power and authority to obligate LA Financial to the terms and conditions in this Agreement. Upon approval, a signed original will be mailed to LA Financial.

22.0 **TAXATION OF LICENSED AREA**

22.1 The interest (as defined in California Revenue and Taxation Code Section 107) in the Licensed Area created by this Agreement may be subject to property taxation if created. The Party in whom any such property interest is vested may be subject to the payment of the property taxes levied on the interest.

22.2 LA Financial shall pay before delinquency all lawful taxes, assessments, fees, or charges which at any time may be levied by the Federal, State, County, City, or any other tax or assessment-levying body upon the Licensed Area and any improvements located thereon.

22.3 If LA Financial fails to pay any lawful taxes or assessments upon the Licensed Area which LA Financial is obligated to pay, LA Financial will be in default of the Agreement.

22.4 County reserves the right to pay any such tax, assessment, fee or charge, and all monies so paid by County shall be repaid by LA Financial to County upon demand. LA Financial and County agree that this is a license and not a lease, and no real estate interest is being conveyed herein.

23.0 **INTERPRETATION**

Unless the context of this Agreement clearly requires otherwise: (i) the plural and singular numbers shall be deemed to include the other; (ii) the masculine, feminine and neuter genders shall be deemed to include the others; (iii) "or" is not exclusive; and (iv) "includes" and "including" are not limiting.

24.0 **GOVERNING LAW AND FORM**

This Agreement shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Agreement shall be conducted in the courts of the County of Los Angeles, State of California.

25.0 **ENTIRE AGREEMENT**

This Agreement contains the entire agreement between the Parties hereto, and no addition or modification of any terms or provisions shall be effective unless set forth in writing, signed by RR/CC acting for County and LA Financial.

26.0 **WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED REDUCTION PROGRAM**

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless contractor qualifies for an exemption or exclusion, contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles County Code Chapter 2.206.

27.0 **TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

Failure of contractor to maintain compliance with the requirements set forth in Paragraph 26.0 "Warranty of Compliance with County's Defaulted Property Tax Reduction Program" shall constitute default under this contract. Without limiting the rights and remedies available to County under any other provision of this contract, failure of contractor to cure such default within ten (10) days of notice shall be grounds upon which County may terminate this contract and/or pursue debarment of contractor, pursuant to County Code Chapter 2.206.28.0

28.0 **ELECTRONIC SIGNATURES**

The Parties hereby agree facsimile and electronic scanned versions of original signatures of authorized officers of each party have the same force and effect as original signatures such that the parties need not follow up facsimile or electronic transmissions of executed documents with original wet-signature versions.

29.0 **LIMITATION OF LIABILITY**

Contractor agrees that if County has substantial and direct liability, whether arising under contract, tort, strict liability, or other form of action, such liability shall not exceed the greater of (i) the moneys paid to County under this Agreement, or (ii) \$500.

IN WITNESS WHEREOF, LA Financial has executed this Agreement or caused it to be duly executed by its authorized representative and the Board of Supervisors of the County of Los Angeles has caused this Agreement to be executed on its behalf by the Registrar-Recorder/County Clerk, the day, month and year first above written.

LA Financial

County of Los Angeles

\_\_\_\_\_  
Carol Galizia  
President CEO

\_\_\_\_\_  
Dean C. Logan

Registrar-Recorder/County Clerk

APPROVED AS TO FORM:  
MARY C. WICKHAM  
County Counsel

By: \_\_\_\_\_  
Nicole Davis Tinkham  
Senior Deputy County Counsel



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

ANTONIA JIMÉNEZ  
 Acting Chief Deputy

**DRAFT**

Board of Supervisors  
 HILDA L. SOLIS  
 First District  
 MARK RIDLEY-THOMAS  
 Second District  
 SHEILA KUEHL  
 Third District  
 JANICE HAHN  
 Fourth District  
 KATHRYN BARGER  
 Fifth District

August 8, 2017

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 THE CALIFORNIA AUTOMATED CONSORTIUM ELIGIBILITY SYSTEM (CALACES) JOINT POWERS AUTHORITY AGREEMENT, MEMORANDUM OF UNDERSTANDING, AND ASSIGNMENT OF THE LRS AGREEMENT, LRS ASSETS, AND LRS QA SERVICES AGREEMENT (ALL DISTRICTS) (3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATIONS ( ) DISAPPROVE ( )**

**SUBJECT**

The recommended actions would permit the County of Los Angeles to join as a member of the California Automated Consortium Eligibility System (CalACES) Joint Powers Authority (JPA) to govern and administer technology projects and operations for automating public assistance programs, including the LEADER Replacement System (LRS). The CalACES JPA would represent 40 counties under the California’s Statewide Automated Welfare System (SAWS) consortia and will merge the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Consortium and Consortium IV (C-IV) pursuant to California State legislation (Assembly Bill 16, ABX1 16, 2011).

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and adopt the CalACES JPA Agreement and Memorandum of Understanding (MOU) by and between the forty (40) counties in order to permit County of Los Angeles to join as a member of the CalACES JPA. The CalACES JPA will have the authority to enter into and oversee contracts and to conduct government business on behalf of

member counties in automating public assistance programs through multiple technology projects and operations, including the LRS.

2. Authorize the Director of the Department of Public Social Services (DPSS), the Director of the Department of Children and Family Services (DCFS), and two other executive-level designees from DPSS as determined by the DPSS Director to:
  - a. Serve as four members of the eleven member CalACES Board of Directors, and to designate their own alternate directors on the CalACES Board of Directors as required by the CalACES JPA Agreement;
  - b. Represent the County of Los Angeles in protecting collective business interests, achieving strategic goals and automation objectives to deliver public assistance services to our diverse constituency;
  - c. Collaborate with the other seven members of the CalACES Board of Directors, currently representing the 39 counties of Consortium IV (C-IV), in order to effectively serve the citizens of all 40 counties; and
  - d. Collectively recruit and appoint the new Executive Director of the CalACES JPA and the officers of the CalACES JPA in accordance with the attached CalACES JPA Agreement, Bylaws and MOU.
3. Delegate authority to the Chief Executive Officer, DPSS Director, and DCFS Director to loan County of Los Angeles personnel to the CalACES Consortium contingent upon the availability of funds for the CalACES portfolio, and in accordance with the terms and conditions set forth in the attached MOU. Such personnel shall remain County employees and the cost of respective employee salaries and benefits shall be funded by fiscal appropriations to the CalACES JPA, which will largely be covered through State and federal subvention.
4. Approve the assignment of the LEADER Replacement System (LRS) Agreement by and between the County of Los Angeles and Accenture, LLP, to the CalACES JPA, and delegate authority to the DPSS Director to execute the Assignment Agreement in substantially similar form to the attached.
5. Approve the assignment of the LRS Quality Assurance (QA) Services Agreement by and between the County of Los Angeles and First Data Government Solutions, Inc., to the CalACES JPA and delegate authority to the DPSS Director to execute the Assignment Agreement in substantially similar form to the attached.
6. Approve the assignment of the LRS Assets, which includes the LRS Software and software documentation, from the County of Los Angeles to the CalACES JPA.
7. Delegate authority to the DPSS Director to take all additional actions necessary to effectuate County's membership in the CalACES JPA, and assignment of the LRS

Agreement, QA Services Agreement, and LRS Assets, subject to any needed review by County's Chief Information Officer and approval as to form by County Counsel.

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

In accordance with California State legislation (Assembly Bill 16, ABX1 16, 2011), the County of Los Angeles (County) and the existing Consortium IV (comprised of 39 counties) shall form a new consortium (CalACES) to represent such 40 counties in governing the automation of public assistance programs, including without limitation: CalWORKs, Medi-Cal, CalFresh, California Food Assistance Program, Refugee, Cash Assistance Program for Immigrants, Foster Care, Kinship Guardianship Assistance Payment, and General Relief. The primary objectives of ABX1 16 are to consolidate the SAWS consortia and the existing systems from three consortia and three systems down to two consortia and two systems, respectively, in order to reduce duplicative technology and automation costs across California SAWS.

Currently, the California SAWS Consortia consists of the LEADER Consortium (LRS system), Consortium IV (C-IV system), and Welfare Case Data System Consortium (WCDS/CalWIN system). Once the LEADER and C-IV consortia merge, California SAWS will consist of two consortia: (1) the CalACES Consortium representing 40 counties and (2) the WCDS Consortium representing the remaining 18 counties of the State's 58 counties. The 40 member counties of the proposed CalACES Consortium are: Los Angeles, Merced, Riverside, San Bernardino, Stanislaus, Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Kern, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Modoc, Mono, Monterey, Napa, Nevada, Plumas, San Benito, San Joaquin, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tuolumne, and Yuba.

The CalACES JPA will be administered by an 11-member board of directors, who will represent eight CalACES regions (with the County being Region 8). Based on aided person counts in public assistance programs supported by the systems that will be overseen by the CalACES JPA, the County represents approximately 50 percent of those counts, while the other 39 counties combined reflect the remaining 50 percent. While each of the CalACES Regions 1 through 7 is represented by one county welfare director, CalACES Region 8 is represented by four directors, including the DPSS Director, DCFS Director, and two other County executive-level designees. The CalACES JPA has an effective date of September 1, 2017, pending final execution of the JPA Agreement and MOU by all 40 Boards of Supervisors of each respective county.

The CalACES Board of Directors, CalACES Executive Director, and its officers shall govern and manage multiple technology projects and parallel operations in the CalACES portfolio, including LRS and C-IV Maintenance and Operations (M&O), the LRS/C-IV

Migration Development and Implementation (D&I) Project, and the CalACES Procurement Project.

Both the LRS M&O (maintenance and operations for over 16,000 LRS users within Los Angeles County) and the C-IV M&O (maintenance and operations for over 18,000 C-IV users across 39 counties) shall be incorporated into the CalACES portfolio through contract reassignments to the CalACES JPA. These M&O will continue in parallel until the LRS and C-IV datacenters are consolidated and the M&O services for all 40 counties are successfully transitioned, unified, and stabilized in the same production environment.

The LRS/C-IV Migration D&I Project is currently scheduled to begin in January 2018 in order to enhance the LRS application software to support the business needs of the 40 counties, and to migrate the 39 C-IV counties to the LRS application software by August 2020. The LRS application software will be hosted and operated at both the LRS and C-IV data centers until a consolidated data center can be established.

The CalACES Procurement Project will solicit and execute professional services contracts to: (1) consolidate the LRS and C-IV datacenters into a unified datacenter capable of supporting the full scale of 40 county operations and (2) transition and merge the existing parallel M&O services into a unified M&O that support all 40 counties, which will minimize redundant services (e.g., application development and datacenter operations) resulting in substantial future savings.

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

The recommended actions are consistent with the principles of the 2016-2021 County of Los Angeles Strategic Plan Goal III (Realize Tomorrow's Government Today), including:

- **Strategy III.2 (Embrace Digital Government for the Benefit of our Internal Customers and Communities)** to implement technological business solutions to enable County departments to meet their core mission, transform how we share information, and protect the privacy rights of individuals;
- **Strategy III.3 (Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability)** to continually assess our efficiency and effectiveness, maximize and leverage resources, and hold ourselves accountable; and
- **Strategy III.4 (Engage and Share Information with Our Customers, Communities and Partners)** to push data and information to internal and external customers, communities, and partners to enable informed decision making and to support partnerships.

## **FISCAL IMPACT/FINANCING**

Federal (the Department of Health and Human Services, the Centers for Medicare and Medicaid Services, and the Food and Nutrition Services) and State (California Department of Social Services and Department of Health Care Services) agencies are sponsoring the CalACES portfolio of technology projects and operations. The majority of CalACES portfolio funding will be covered by federal and State funds (i.e., subvention) based on CalACES Cost Allocation Plans (CAPs), which are pending review and final approval by federal and State agencies. The CalACES CAPs define the share of costs among public assistance programs and the distribution of costs across federal, State and local jurisdictions for each of the multiple budgets in the CalACES portfolio.

Upon the formation of the CalACES JPA, funding for LRS Agreement and LRS QA Services Agreement will be reallocated to the CalACES JPA. The State will reallocate LRS and C-IV future appropriations to the CalACES JPA fiscal agent in order to administer, plan, execute, maintain, and operate CalACES technology projects and operations. The County of Los Angeles will continue to receive an appropriation for their personnel cost.

The total cost for the concurrent LRS/C-IV Migration D&I Project, CalACES Procurement Project, and LRS M&O is estimated to be \$378,398,016 through August 2020; of which an estimated \$366,023,206 will be subvented by federal and State revenue. The estimated balance will be Net County Cost (NCC) of \$12,076,829 (3.2 percent of the total costs) with the remaining costs shared by the other 39 counties. These estimated costs may be subject to change in future fiscal years.

### **State Fiscal Year (SFY) 2017-18**

The total estimated cost in SFY 2017-18 for the concurrent LRS/C-IV Migration D&I Project, CalACES Procurement Project, and LRS M&O is \$122,905,475, of which \$3,969,284 (3.2%) is the estimated County NCC.

### **SFY 2018-19**

The total estimated cost in SFY 2018-19 for the concurrent LRS/C-IV Migration D&I Project, CalACES Procurement Project, and LRS M&O is \$121,379,289 of which \$3,551,537 (2.9%) is the estimated County NCC.

### **SFY 2019-20**

The total estimated cost in SFY 2019-20 for the concurrent LRS/C-IV Migration D&I Project, CalACES Procurement Project, and LRS M&O is \$104,081,756 of which \$3,786,967 (3.6%) is the estimated County NCC.

### **SFY 2020-21**

The total estimated cost in SFY 2020-21 for the concurrent LRS/C-IV Migration D&I Project, CalACES Procurement Project, and LRS M&O is \$30,031,496 of which \$769,042 (2.6%) is the estimated County NCC.

The CalACES operating costs include insurance services, external financial audit services, internal audit services and San Bernardino Auditor-Controller/Treasurer/Tax Collector (ATC) accounting services. The operating costs will be distributed among the 40 counties based on a proportion of aided persons across all public assistance programs in each respective county. If the recommended actions are approved by your Board, the County will be responsible for its portion of the CalACES JPA operating costs. For SFY 2017-18 the County's share of operating costs is estimated to be \$168,864 (28 percent) of the total projected \$602,417 CalACES' JPA operating costs. In subsequent fiscal years, the County's share of JPA operating costs is estimated to be approximately 50 percent per annum, which will be budgeted under the DPSS' NCC.

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

California State Assembly Bill ABX1 16 (enacted on September 20, 2011), as codified in Welfare and Institutions Code section 10823, requires that the 39 counties of Consortium IV (C-IV) of California's Statewide Automated Welfare System (SAWS) consortia migrate to a system jointly designed by the County of Los Angeles and such 39 counties, which shall result in a new consortium (CalACES) composed of 40 counties (of California's 58 counties) to replace both the LEADER and C-IV consortia of SAWS. Further, the CalACES JPA and the State of California shall take any action necessary to ensure that the current SAWS maintenance and operations agreements are extended as needed, pending the completion of the LRS implementation in County of Los Angeles and the successful migration of the 39 C-IV counties onto LRS technology and application architecture.

The CalACES JPA shall be formed in accordance with the provisions of Article 1, Chapter 5, Division 7 of Title 1 of the Government Code of the State of California, commencing with §6500, et seq. The CalACES JPA shall be organized into a governance structure of eight (8) Regions comprising of one or more counties. The CalACES JPA shall be governed and administered by a Board of Directors comprised of eleven (11) Directors, including seven (7) Directors of Regions 1-7 (representing 39 counties) and four (4) Directors of Region 8 (representing the County of Los Angeles). Each Director on the 11-member board has one (1) vote each, with County's four (4) Directors having four (4) votes total. Per the proposed JPA Agreement, a quorum is formed when six (6) Directors of the Board are present, as long as two (2) of the six (6) are the County's Board Directors. In addition, six (6) votes are needed to carry an item before the Board, with two of those votes needing to be from the County's Board Directors. Finally, in the event of an unresolvable impasse at the Board level, the JPA Agreement provides for a resolution

process through the use of a mediator who will assist the parties in resolving a dispute, and if no resolution can be reached, the mediator will issue a recommendation that the CalACES Board will abide by.

The CalACES JPA shall also conduct a nationwide search for qualified candidates to perform the key role of the CalACES Executive Director, who will oversee and direct the activities of the technology projects and operations of the CalACES portfolio to comply with ABX1 16.

San Bernardino County's ATC shall perform the role of Treasurer of the CalACES JPA indefinitely (until such time the CalACES JPA should change such designation as Treasurer). San Bernardino County Counsel shall perform the role of Legal Advisor for the CalACES JPA for no longer than a one-year term from September 1, 2017 through August 31, 2018 at which point an independent attorney (contracted by the CalACES JPA) shall take on the role of Legal Advisor by no later than September 1, 2018. The Operating Mode shall be designated as San Bernardino County (until such time the CalACES JPA should change such designation of Operating Mode). Finally, the CalACES JPA Agreement includes a provision that provides that all prior debts, liabilities and obligations of C-IV, prior to the County joining the CalACES JPA, shall remain those of CalACES Regions 1-7, unless the CalACES Consortium agrees otherwise. Likewise, all prior debts, liabilities and obligations of the LEADER/LRS Consortium shall remain those of CalACES Region 8 (Los Angeles County), unless the CalACES Consortium agrees otherwise.

The CalACES JPA also has proposed revised Bylaws that it will consider adopting for the conduct of its government business once the CalACES JPA is effective on September 1, 2017. The CalACES Board of Directors may amend or revise such Bylaws from time to time for the conduct and performance of its business and operations. The CalACES JPA Bylaws will be amended and adopted after the formation of the new CalACES JPA (scheduled to be effective on September 1, 2017).

The CalACES JPA shall operate under a Memorandum of Understanding (MOU) with each member county. The purpose of the MOU is to delineate the areas of understanding and agreement between the parties surrounding the various vendor agreements and other areas of mutual interest (including without limitation human resourcing, compensation and other personnel matters, as well as access to the CalACES system and data) in fulfillment of the CalACES Consortium's mission, vision and objectives.

This Board letter has been reviewed by the Chief Executive Officer and approved as to form by County Counsel. The Chief Information Office (CIO) reviewed the Board letter and recommends approval. It determined that because the recommended actions are administrative and do not constitute a technology related acquisition that no formal CIO Analysis is required.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

If the recommendations are approved by your Board, the LRS Agreement and LRS QA Services Agreement will be assigned to the CalACES JPA. The LRS Project is currently in Phase 3 (Operational Phase) of the LRS Agreement, which includes M&O, Modification and Enhancements (M&E), and other services. With the assignment of contracts, the scope of services of both agreements will now be directly overseen by the CalACES JPA.

LRS Assets, including the LRS Software, will be transferred to and directly overseen by the CalACES JPA. The County will no longer own and operate the LRS directly, but will allow the CalACES JPA assume those functions. LRS changes will be prioritized and made through the governance structure set forth in the proposed CalACES JPA Agreement, Bylaws, and the Assignment Agreement attached hereto.

Notwithstanding the reassignment of the LRS Agreement and the transfer of LRS Assets from the County of Los Angeles to the CalACES JPA, the LRS M&O will continue to be resourced with government personnel from the County (staff on loan to the CalACES Consortium) and vendor staff outsourced through the LRS Agreement. The C-IV M&O will continue to be resourced with government personnel from several of the 39 C-IV counties, personnel individually contracted through the Regional Government Services Authority (a JPA legal entity and public agency that provides consulting, administrative and staffing services to local governments), and vendor staff outsourced through the C-IV Agreement. The CalACES Migration D&I Project will be resourced through a recruitment effort (currently in progress) conducted by the member counties of the CalACES JPA and vendor staff outsourced through Accenture, LLP, the incumbent contractor of both the LRS Agreement and the C-IV Agreement. The CalACES Procurement Project shall be resourced through a recruitment effort conducted by the CalACES Consortium.

Finally, if in the future the CalACES Migration D&I Project is successfully procured, the scope of such services may be incorporated through an amended and restated LRS Agreement with Accenture, LLP, as well as an amended and restated C-IV Agreement with Accenture, LLP, or through a competitive procurement solicitation process. In either event, the agreements covering such migration work would be executed by the CalACES JPA representing the interests of the aforementioned 40 counties. The existing LRS currently supports over 16,000 users and serves over four million beneficiaries of public assistance programs. Upon successful completion of the CalACES Migration D&I Project, CalACES is expected to support over 34,000 users and serve nearly nine million beneficiaries.

**CONCLUSION**

Upon approval by your Board, we respectfully request that your Board instruct the Executive Officer to return four originals of the adopted board letter, four originals of the CalACES JPA Agreement, and four originals of the CalACES MOU, duly executed by your Board to:

DPSS Headquarters  
12860 Crossroads Parkway South  
City of Industry, CA 91746  
Attention: Gabriela Herrera

With respect to the Assignment Agreement, the DPSS Director will have delegated authority to execute the Assignment Agreement. Once the CalACES JPA Agreement and MOU are signed and duly executed by the Boards of all 40 counties, the CalACES Consortium shall be formed and its JPA Board of Directors, officers and staff shall convene to conduct the governance, administration and business matters of the CalACES Consortium on behalf of and in the best interests of the respective 40 counties under the State of California's SAWS Consortia. When fully implemented, CalACES will support two-thirds of California's welfare caseload, serve some of the most indigent constituents of 40 counties, and be poised to support the automation needs of even more counties across the State of California.

Respectfully submitted,

Reviewed by:

SHERYL L. SPILLER  
Director

PETER LOO  
Acting Chief Information Officer

SLS:PL:vo

Attachments

c: Executive Office, Board of Supervisors  
County Counsel  
Chief Information Officer  
Auditor-Controller