



County of Los Angeles  
**CHIEF EXECUTIVE OFFICE  
OPERATIONS CLUSTER**

SACHI A. HAMAI  
Interim Chief Executive Officer

**DATE:** September 3, 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) **County Minimum Wage Ordinance and Draft Board Policy Establishing a Minimum Wage for County Employees**  
CEO, CoCo – Maryanne Keehn and Judy Whitehurst or designee(s)
  - B) **Data Center Lease, Purchase, or Construction Recommendation**  
CEO – Tom Tindall or designee
  - C) **Board Memo – NOTICE OF INTENT TO NEGOTIATE MONTH-TO-MONTH SOLE SOURCE EXTENSION FOR AGREEMENT NO. 76582 FOR CONTINUED MAINTENANCE AND SUPPORT OF COUNTY'S DEBT COLLECTION SOFTWARE**  
TTC – Joseph Kelly or designee
  - D) **Board Letter – PUBLIC HEARING ON PROPOSED POWER PURCHASE AGREEMENT**  
ISD – Dave Chittenden or designee
2. Public Comment
3. Adjournment



**JOSEPH KELLY**  
TREASURER AND TAX COLLECTOR

## COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

KENNETH HAHN HALL OF ADMINISTRATION  
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HOME PAGE  
[TTC.LACOUNTY.GOV](http://TTC.LACOUNTY.GOV)

PROPERTY TAX PORTAL  
[LACOUNTYPROPERTYTAX.COM](http://LACOUNTYPROPERTYTAX.COM)

September 3, 2015

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

FROM: Joseph Kelly  
Treasurer and Tax Collector

SUBJECT: **NOTICE OF INTENT TO NEGOTIATE A MONTH-TO-MONTH SOLE SOURCE EXTENSION, NOT TO EXCEED NINE MONTHS, FOR AGREEMENT NUMBER 76582, COLUMBIA ULTIMATE, INC. FOR CONTINUED MAINTENANCE AND SUPPORT OF THE COUNTY'S DEBT COLLECTION SOFTWARE**

Pursuant to the applicable provisions of Board Policy 5.100, Sole Source Contracts, this correspondence is to provide your Board with advance notification of our intent to enter Sole Source Contract extension negotiations with Columbia Ultimate, Inc. (Columbia Ultimate) for the continued maintenance and support of debt collection software. This extension is necessary so that we may complete the solicitation process and implement a replacement system.

### **BACKGROUND**

The software licensing and services agreement (Agreement) is required for the licensing, professional services, and the on-going support and maintenance of Columbia Ultimate's proprietary software application, Revenue Plus Collection System, utilized and identified by the Treasurer and Tax Collector (TTC) and Probation Department (Probation) as the Collections and Accounts Receivable System (CARS). The system interfaces with the TTC's Outside Collection Agency and uploads collection referrals in an automated manner from County departments. On an annual basis, the TTC collects approximately \$26.5 million and adds approximately 91,000 new accounts to the system.

In 2008, the TTC sought and received approval from your Board for a Sole Source Contract with Columbia Ultimate. This Contract expires on December 31, 2015. We released a Request for Proposals (RFP) for a competitive solicitation on July 2, 2015, and staff is currently evaluating the proposals. The TTC is seeking to enter into discussions for a month-to-month extension of the Agreement to allow sufficient time to complete the solicitation and implement a new or updated collections system.

## **JUSTIFICATION**

The month-to-month extension is necessary to avoid a disruption in current services, which includes, but is not limited to the following:

- 1) We will not be able to process debtor payments and implement our system of internal controls over collections.
- 2) We will not be able, as required by law, to submit certain accounts to the California Department of Social Services and California Franchise Tax Board for tax intercept.
- 3) The ability of Probation to perform their court ordered mandate of monitoring probationer payments of fines, fees, and victim restitution would be impacted.

While we are aware of the Board's action on August 4, 2015, to revise Board Policy No. 5.100, Sole Source Contracts, these actions were prospective. The TTC released the RFP prior to this date. Accordingly, the notice requirements adopted on August 4, 2015, are not applicable in this circumstance. The TTC planned to complete the solicitation process and implement the new system by the expiration of the Agreement. Upon further review of the system requirements and requests from the vendor community to extend the RFP deadline, the TTC has determined that it is in the best interest of the County to extend the Agreement.

## **CONCLUSION**

Unless otherwise directed by your Board, within ten business days from the date of this notification, Thursday, September 17, 2015, we will proceed with Sole Source Contract negotiations to extend the Agreement for a month-to-month Sole Source Contract extension not to exceed nine months in order to complete the solicitation process. If successful, we plan to bring an extension amendment to your Board in October 2015.

Should you have any questions or require additional information, please contact me directly or your staff may contact Keith Knox, Chief Deputy Treasurer and Tax Collector, of my staff at (213) 974-0703 or [kknox@ttc.lacounty.gov](mailto:kknox@ttc.lacounty.gov).

JK:KK:RM:EVT:kg

CARS Notice of Intent Draft 8-26-15 Final kk evt

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



JIM JONES  
Director

County of Los Angeles  
**INTERNAL SERVICES DEPARTMENT**

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Los Angeles, California 90063

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

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September 22, 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:

**PUBLIC HEARING ON PROPOSED POWER PURCHASE AGREEMENTS FOR  
INSTALLATION, OPERATION AND MAINTENANCE OF SOLAR PANELS AT  
ELEVEN COUNTY FACILITIES  
(ALL DISTRICTS – 3 VOTES)**

**SUBJECT**

Adopt a Resolution with a determination that the requirements of Government Code section 4217.10 *et seq.* are duly met in the proposed Power Purchase Agreements for each of the eleven County of Los Angeles (County) facilities and delegate authority to the Director of Internal Services to amend the Energy Efficiency Project Master Agreement (EEPMA).

**IT IS RECOMMENDED THAT THE BOARD:**

1. Adopt the attached Resolution (Attachment 1) with a finding that (i) the anticipated cost to the County for electrical energy under the proposed Power Purchase Agreements (PPAs) will be less than the anticipated marginal cost to the County of energy that would have been consumed by the County in the absence of those purchases, and (ii) the difference, if any, between the fair rental value for the real property subject to the facility license agreement and the agreed rent is anticipated to be offset by below-market energy purchases or other benefits provided under the PPA, pursuant to Government Code section 4217.12.
2. Delegate authority to the Director of Internal Services Department (ISD), or his designee to execute applicable amendments to (i) amend the current EEPMA

Request for Statement of Qualifications (RFSQ) to add a Special Purpose Entity (SPE) service category, and (ii) assign PPAs executed under the (EEPMA) including any ancillary license agreement(s) and other documents necessary for the operation and maintenance of the solar panels.

3. Delegate authority to the Director of ISD to increase PPA rates to an amount County determines necessary to modify the design and installation of solar panels to uphold the viability of a County facility, so long as such increase will provide energy cost savings for the life of the PPA.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

On June 3, 2015, the Director of ISD submitted a report outlining potential installation of solar at eleven County-owned sites in multiple County departments' facilities. The report further details the costs and benefits of installing solar, which can provide 15% to 80% of each facility's electrical needs. The report concluded that under the PPA model for the eleven sites, annual electricity costs are projected to 19% less expensive than business as usual in year one and 55% less expensive over 20 years in Net Present Value terms.

On July 21, 2015, your Board approved a motion delegating authority to the Director of ISD or his designee to negotiate and execute PPAs for the eleven County facilities, including any ancillary license agreement(s) and other documents necessary for the operation and maintenance of solar panels at the County facilities. The eleven proposed PPAs constitute Phase One of a four-phased approach to accelerate the County adoption of solar on County buildings.

The first recommended action is required to award the PPAs to the eleven County facilities. Under Government Code section 4217.10, *et seq.*, the Board must perform the following:

- Hold a public hearing at a regularly scheduled meeting and public notice of which is given at least two weeks in advance;
- Find the anticipated cost to the County for electrical energy under the proposed PPAs will be less than the anticipated marginal cost to the County of energy that would have been consumed by the County in the absence of those purchases; and
- Find the difference, if any, between the fair rental value for the real property subject to the facility license agreement and the agreed rent is anticipated to be offset by below-market energy purchases or other benefits provided under the PPAs.

Subsequent to the Board's motion to proceed with the PPA awards, the County identified the need to modify the EEPMA RFSQ, delegate the PPA, and provide for

contingencies. The second recommendation is required to ensure that the awarded PPAs are consistent with current industry standards. Inherent to the solar power purchase agreement model that takes advantage of the Federal tax credits, the system owner is an SPE established by a developer to own the system assets. The SPE limits the developer's liability in connection with a solar system to the developer's investment in the SPE, and permits the system to be financed on a "project" basis. An SPE will be required to obtain and maintain insurance at the same levels required for in the PPAs, and the County will require that an Operations and Maintenance agreement between the developer and the SPE include the County as a party to the contract. This will require the assignment of the PPA to an SPE under EEPMA. To achieve this, the current RFSQ for EEPMA will be amended to add an SPE category.

The third recommendation will give ISD delegated authority to increase PPA rates if unanticipated work is required at a project site before the design phase is completed. Such PPA rate increase would cover costs that the County determines are a result of unforeseeable conditions, such as County-owned electrical equipment deficiencies, underground obstructions, atypical soils conditions that are unavoidable risks in a solar installation project. Such increases would be allowed only to the extent that PPA rates remain competitive and would provide cost savings for the life of the PPA.

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

These recommended actions support Goal 1, Operational Effectiveness, by developing and implementing a pilot program that promotes financially and environmentally responsible practices.

These recommended actions also support Goal 3, Community and Municipal Services, by providing a program that promotes clean energy production, and enhances health and sustainable practices in the County.

### **FISCAL IMPACT/FINANCING**

The proposed PPAs will reduce Southern California Edison (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 one and 55% less expensive over 20 years in Net Present Value terms. As the solar projects generate lower cost energy, ISD will reduce the Services & Supplies appropriation in future fiscal year budget submittals for the Utilities budget based upon actual cost information. There is adequate appropriation in the Fiscal Year 2015-16 Utilities Budget for the PPA costs.

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

Required public hearing notice was given pursuant to the procedures and requirements set forth in the Government Code 4217.10-4217.18.

### **ENVIRONMENTAL DOCUMENTATION**

As detailed in the July 21, 2015 Board Motion, 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. ISD will file a Notice of Exemption with the County Clerk in accordance with Section 15062 of the State CEQA Guidelines.

### **CONTRACTING PROCESS**

On February 18, 2015, ISD released two (2) work order solicitations for Rooftop and Canopy (parking lot coverage) Solar Pilot Projects for various County facilities under its EEPMA. The scope of the solar projects were for small installations (15 sites at less than 200 kilowatts - solicitation number EEP131), and larger installations (11 sites at over 200 kilowatts - solicitation number EEP132). Eighteen qualified vendors under the EEPMA Renewable Resources and Distributed Generation Power 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 proposals were received for EEP132 by the March 31, 2015 deadline. The four proposals were reviewed for compliance with the minimum requirements set forth in the Work Order Solicitation. 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 set forth in the Work Order Solicitation. As instructed by the Board on July 21, 2015, ISD is in the process of finalizing negotiations with the highest ranking proposer for the execution of eleven PPAs.

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

The proposed solar panel pilot project will reduce the County's utilities budget and decrease the production of greenhouse gases and air pollution in the region. In addition, the electricity produced by these projects will be at known and consistent prices or costs. As such, the implementation of the solar panel pilot project serves as a financial hedge against rising electricity prices in the future.

**CONCLUSION**

Please return an adopted copy of this letter and a signed original of the Resolution to Internal Services Department.

JIM JONES  
Director

JJ:DC:JS:YY:os

Enclosures

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