



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

**DATE:** October 25, 2012  
**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 – Ellen Sandt
  
- A) **Board Letter – JOB ORDER CONTRACTS FOR MAINTENANCE, REPAIR, AND REFURBISHMENT OF COUNTY INFRASTRUCTURE AND FACILITIES**  
ISD – Tom Tindall or designee
  
- B) **Board Letter – AUTHORIZATION TO EXTEND CONTRACT FOR THE RISK MANAGEMENT INFORMATION SYSTEM**  
CEO Risk Management – Reginald Crowell and Leonardo Constantino  
CIO – Richard Sanchez or designee
  
- C) **IT Directive – Server Virtualization**  
CIO – Richard Sanchez or designee
  
- D) **Board Letter - TAX AGENT ORDINANCE AND TAX AGENT REGISTRATION AND ENFORCEMENT PROGRAM**  
Executive Office – Sachi Hamai or designee  
County Counsel – Dawyn Harrison and Judy Whitehurst  
RR/CC – Dean Logan or designee
  
2. Public Comment
  
3. Adjournment



TOM TINDALL  
Director

County of Los Angeles  
**INTERNAL SERVICES DEPARTMENT**

1100 North Eastern Avenue  
Los Angeles, California 90063

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

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

November 13, 2012

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:

**JOB ORDER CONTRACTS  
FOR MAINTENANCE, REPAIR, AND REFURBISHMENT  
OF COUNTY INFRASTRUCTURE AND FACILITIES  
ADOPT AND ADVERTISE VARIOUS SPECIFICATIONS, AWARD CONTRACTS,  
INCREASE AUTHORITY FOR VANIR CONSTRUCTION MANAGEMENT, INC.  
INCREASE AUTHORITY FOR  
AS-NEEDED ARCHITECTURAL & ENGINEERING SERVICES AGREEMENTS**

**(ALL DISTRICTS) (3 VOTES)**

**SUBJECT**

This action is to adopt the Job Order Contract (JOC) Unit Price Book and Specifications; approve for advertisement bids to be received; award agreements to the Lowest Responsive and Responsible Bidders for 13 separate JOC agreements; increase expenditure authority for Vanir Construction Management, Inc. (Vanir); and increase expenditure authority for As-needed Architectural & Engineering Services (A/E) Agreements.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Find that the adoption of the JOC Unit Price Book and Specifications, advertisement for bids and award of JOCs are exempt from the California Environmental Quality Act, for the reasons stated in this letter and in the record of the action.
2. Adopt the November 2012 JOC Unit Price Book and Specifications.

3. Instruct the Executive Officer of the Board to advertise for bids to be received for thirteen separate JOCs in accordance with the Instruction Sheet for Publishing Legal Advertisements (Attachment I).
4. Authorize the Director of Internal Services Department (ISD) or his designee to prepare, award and execute six general, four specialty (two electrical, and two mechanical), and three small projects (one small general, one small paint, and one small electrical) JOC agreements to provide services to County facilities such as as-needed repair, deferred maintenance, and refurbishments. The agreements are for a one-year term effective on contract execution. JOC105, JOC106, JOC107, JOC108, JOC109, JOC110, EJOC31, EJOC32, MJOC28, and MJOC29 are not-to-exceed \$4.3 million each. SJOC01, SPJOC01, and SEJOC01 are not-to-exceed \$500,000 each to the lowest responsive and responsible bidders. The aggregate not-to-exceed amount for the thirteen agreements is \$44.5 million.
5. Increase the expenditure authority for the agreement with Vanir for supplementary project management and support services by \$1.3 million. Approval of this action will increase the not-to-exceed amount for Vanir's agreement from \$3.5 million to \$4.8 million for Fiscal Year (FY) 2012-13 only.
6. Increase the aggregate expenditure authority for supplementary A/E services agreements by \$2.0 million. Approval of this action will increase the not-to-exceed amount for the A/E services agreements to \$4.0 million for FY 2012-13 only.

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

Approval of the recommended action will find that adoption of the JOC Unit Price Book and Specifications, advertisement for bids and award of JOCs are exempt from the California Environmental Quality Act (CEQA) and will augment ISD's ability to effectively and efficiently maintain and repair (including emergency repairs) County infrastructure and facilities.

JOCs are flexible, cost-effective unit price contracting method to accomplish maintenance, repair, and refurbishment of County infrastructure and facilities without extensive plans and specifications. JOCs are annual contracts that may be awarded for repair, remodeling, refurbishment, or other repetitive work, but not for new construction. This process reduces administrative requirements and lowers direct construction costs while meeting all federal, State, and County procurement requirements.

The Vanir agreement for project management and support services was approved by your Board on May 11, 2011, for a not to exceed amount of \$3.5 million per year. The recommended action to increase the expenditure authority for the Vanir agreement by \$1.3 million for FY 2012-13 only is necessary to meet the immediate and unanticipated project management requirements associated with an increase in County's maintenance, repair and refurbishment projects and County Office of Sustainability energy efficiency and LEED certification projects. ISD will immediately commence a new solicitation for subsequent Fiscal

Year project management and support services and return to your Board for approval to award and execute a new agreement for such services.

The master agreements for A/E services were approved by your Board on March 8, 2011 for \$2.0 million per year. The recommended action to increase the expenditure authority by \$2.0 million for FY 2012-13 only for A/E services is necessary to meet the additional, and unanticipated A/E services requirements associated with the increase in maintenance, ADA, fire/life safety and refurbishment projects. ISD will immediately commence a new solicitation for subsequent FY A/E services and return to your Board for approval to award and execute new A/E agreements.

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

This action meets the County's Strategic Plan Goal No. 1 for Operational Effectiveness by providing timely facilities services, effectively managing County resources and investing in public infrastructure.

### **FISCAL IMPACT/FINANCING**

Maintenance, repair, and refurbishment work will be funded through the appropriate maintenance, capital, refurbishment, or infrastructure project budgets. ISD's Fiscal Year (FY) 2012-13 Adopted Budget includes \$34.5 million for JOC agreement expenditures. Since these contracts are spread across two fiscal years, ISD will request the additional S&S appropriation (\$10.0 million) in our FY 2013-14 budget submission. ISD will only incur JOC expenditures to the extent that they are offset through County department and Contract Cities billings and within available appropriation. For capital projects, no work will be assigned to these JOCs without authorization from the Chief Executive Office.

The recommended action to increase expenditure authority for construction project management and support services will increase the maximum allowable expenditure in FY 2012-13 only. ISD will only incur construction project management expenditures to the extent that they are offset through County department billings and within available appropriation.

The recommended action to increase expenditure authority for A/E services will increase the maximum allowable expenditure in FY 2012-13 only. ISD will only incur A/E services expenditures to the extent that they are offset through County department billings and within available appropriation.

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

Board approval of the recommended actions is required by Public Contract Code Sections 20124 and 20125.

Public Contract Code Section 20128.5 allows individual JOCs to have a one-year term and a maximum value of \$4.3 million. A 1997 amendment to the Public Contract Code allows annualized increases in the maximum contract value, based on the California Consumer Price

Index. However, given ISD's available budget in FY 2012-13 for JOC agreement expenditures, JOC105, JOC106, JOC107, JOC108, JOC109, JOC110, EJOC31, EJOC32, MJOC28, and MJOC29 are not-to-exceed \$4.3 million each. SJOC01, SPJOC01, and SEJOC01 are not-to-exceed \$500,000 each. There are no minimum obligations on these contracts.

The terms and conditions of the recommended contracts will be approved as to form by County Counsel prior to execution and will contain the Board's required contract provisions including those pertaining to consideration of qualified County employees targeted for layoffs as well as qualified GAIN/GROW participants for employment openings, compliance with the Jury Service Ordinance, Safely Surrendered Baby Law, the Child Support program, Defaulted Tax Program Ordinance, and the Local Worker Program. The JOC Agreements are not Proposition "A" contracts and therefore are not subject to the County's Living Wage Program.

Data regarding the proposers' minority participation will be on file with ISD. The contractors will be selected upon final analysis and consideration without regard to race, creed, gender, or color.

The General Conditions and November 2012 Unit Price Book and Specifications include the contractual provisions, methods, and material requirements necessary for this project and are on file with ISD.

ISD's existing agreement with Vanir has a one-year contract term effective July 1, 2011, with four (4) one-year renewal options, and six (6) month-to-month extensions. ISD's existing A/E services master agreements have a one-year term effective April 1, 2011, with options to extend for two (2) additional one-year periods.

## **ENVIRONMENTAL DOCUMENTATION**

The recommended action, to adopt the Job Order Contract Unit Price Book and Specifications, advertise for bids and award of JOCs are categorically exempt from CEQA. JOC projects include repair, maintenance and refurbishment of existing structures and facilities as requested by County departments, which are generally categorically exempt under Section 15301, Class 1, of the State CEQA Guidelines. The proposed work involves either negligible or no expansion of existing use, and any replacement structures will have substantially the same purpose and capacity as structures replaced. ISD will file all required Notices of Exemption for each categorically exempt project as required by CEQA. For any work that is not determined to be exempt from CEQA following further assessment, the Department will return to the Board to recommend approval of the appropriate environmental documentation pursuant to CEQA prior to implementation of applicable work orders under the JOCs.

The recommended action to increase the spending authority for supplementary project management and A/E services is not a project pursuant to the CEQA because it is an activity that is excluded from the definition of a project by Section 15378(b) of the State CEQA Guidelines. The proposed actions are an administrative activity of the government, which will not result in direct or indirect changes to the environment.

### **CONTRACTING PROCESS**

The Executive Officer of the Board will advertise the JOC invitation for bids in various publications throughout the County of Los Angeles. Additionally, ISD will advertise the invitation for bids on the Green Sheet publication and post the bids on the County's "Doing Business with Us" web site.

The recommended JOCs will be solicited on an open-competitive basis and in accordance with applicable federal, State, and County requirements. The County will award contracts to the lowest responsive and responsible bidder pursuant to the State Public Contract Code.

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

The use of these contracts will expedite the completion of maintenance, repair, and refurbishment of County infrastructure and facilities work managed by ISD. Minor impacts to tenant departments may occur while maintenance, repair, and refurbishment of County infrastructure and facilities work is underway.

There is no employee impact. JOCs are intended to augment, but not replace the County workforce, and to ensure our ability to respond to emergent requirements.

### **CONCLUSION**

Upon Board approval, please return one adopted stamped copy of this letter to ISD.

Respectfully submitted,

Tom Tindall  
Director

Attachments

c: Chief Executive Officer  
County Counsel

**ATTACHMENT I**

**INTERNAL SERVICES DEPARTMENT: JOB ORDER CONTRACTS  
FOR MAINTENANCE, REPAIR, AND REFURBISHMENT  
OF COUNTY INFRASTRUCTURE AND FACILITIES  
ADOPT AND ADVERTISE VARIOUS SPECIFICATIONS, AWARD CONTRACTS  
(ALL DISTRICTS) (3 VOTES)**

PUBLISHING LEGAL ADVERTISEMENTS: In accordance with the State of California Public Contract Code Section 20125, you may publish once a week for two weeks in a weekly newspaper, or ten times in a daily newspaper. However, the first publication must appear at least 10 days prior to the bid opening date. Forward three reprints of this advertisement to Alterations & Improvements Division, Internal Services Department, 1100 Eastern Avenue, Los Angeles, California 90063.

**OFFICIAL NOTICE  
INVITING BIDS**

Notice is hereby given that Internal Services Department (ISD) will receive sealed bids for furnishings, materials, labor, and equipment required to complete construction for the following work:

<b><u>SPECS.</u></b>	<b><u>PROJECT</u></b>	<b><u>BID DOC. FEE</u></b>	<b><u>BID DEADLINES</u></b>	
			<b><u>DATE</u></b>	<b><u>TIME</u></b>
JOC Specs.	JOC 105	\$50.00 each	12/11/2012	9:00 a.m.
JOC Specs.	JOC 106	\$50.00 each	12/11/2012	9:00 a.m.
JOC Specs.	JOC 107	\$50.00 each	12/11/2012	9:00 a.m.
JOC Specs.	JOC 108	\$50.00 each	12/11/2012	9:00 a.m.
JOC Specs.	JOC 109	\$50.00 each	12/11/2012	9:00 a.m.
JOC Specs.	JOC 110	\$50.00 each	12/11/2012	9:00 a.m.
JOC Specs.	EJOC 31	\$50.00 each	12/11/2012	9:00 a.m.
JOC Specs.	EJOC 32	\$50.00 each	12/11/2012	9:00 a.m.
JOC Specs.	MJOC 28	\$50.00 each	12/11/2012	9:00 a.m.
JOC Specs.	MJOC 29	\$50.00 each	12/11/2012	9:00 a.m.
JOC Specs.	SJOC 01	\$50.00 each	12/11/2012	9:00 a.m.
JOC Specs.	SPJOC 01	\$50.00 each	12/11/2012	9:00 a.m.
JOC Specs.	SEJOC 01	\$50.00 each	12/11/2012	9:00 a.m.

Copies of the project manual and technical specifications may be obtained at the **mandatory** Pre-bid Conference or Internal Services Department Bid Office located at 1100 N. Eastern Avenue, Los Angeles, California, 90063 for the fee stated above. For bid information, please call (323) 267-3129 or (323) 267-2243. Each bid shall be submitted on the required form sealed and filed at the Bid Office located at the first floor of 1100 N. Eastern Avenue, Los Angeles, CA 90063 no later than 9:00 a.m. on the date indicated above. Bids will be publicly opened, examined, and declared by ISD JOC Contract Administration approximately 15 minutes following the deadlines for

submission of bids stated above in Conference Room G101, 1100 N. Eastern Avenue, Los Angeles, CA 90063.

Bidders must comply with the provisions of the Bidding Requirements and General Conditions concerning bid guarantee, contract bonds, and insurance requirements. These projects require the prime contractor to possess a "B" license at time of bid for General Contract JOCs (JOC105, JOC106, JOC107, JOC108, JOC109, JOC110). Contractors bidding Electrical JOCs (EJOC31, EJOC32) are required to possess a "C-10" license at time of bid. Contractors bidding the Mechanical JOCs (MJOC28, MJOC29) are required to possess a "C-20" and "C-36" license at time of bid. Contractor bidding Small General Projects (SJOC01) is required to possess a "B" license at time of bid. Contractor bidding Small Paint JOC (SPJOC01) is required to possess a "C-33" license at time of bid. Contractors bidding Small Electrical JOC (SEJOC01) is required to possess a "C-10" license at time of bid. Contractor should verify to his/her satisfaction that he/she holds the correct license for this type of project.

### **PREBID CONFERENCE**

ISD will hold a single **mandatory** pre-bid conference for all of the listed Job Order Contract (JOC) contracts/projects at 10:00 a.m. on December 3, 2012, Conference Room G101 at 1100 N. Eastern Avenue, Los Angeles, CA 90063 to provide information on the JOC, bidding process, and answer any questions that potential bidders may have. A bid submitted by a company that did not have a representative of the company sign in as being present at the mandatory pre-bid conference will be rejected as non-responsive, and it is strongly recommended that the representative who attends the mandatory pre-bid conference for the company be a principal of the company or a person authorized to make decisions for the company. For further directions, please contact Ms. Sue Chang at (323) 267-3129 or Ms. Jane Lee at (323) 267-2243.

### **OTHER INSTRUCTIONS**

The County supports and encourages equal opportunity contracting. The contractor shall make good faith efforts, as defined in Section 2000 of the Public Contract Code, relating to contracting with Community Business Enterprises.

The Board of Supervisors reserves the right to reject any or all bids or to waive technical errors and discrepancies in bids submitted in the public's interest.

Si necesita información en español, por favor llame al telefono (323) 267-2864.



Upon 72 hours notice, ISD can provide program information and publication in alternate formats or make other accommodations for people with disabilities. In addition, program documents are available at our office in Los Angeles (1100 N. Eastern Avenue, Los Angeles), which is accessible to individuals with disabilities. To request accommodations ONLY, or for more ADA information, please contact our departmental ADA Coordinator at (323) 267-2432, Monday through Thursday, from 7:00 a.m. to 5:30 p.m.



Con 72 horas de notificación, ISD puede proporcionar información y publicaciones sobre el programa y formas alternas o hacer otras comodidades para gente incapacitada. Además, documentación sobre el programa está disponible en nuestra oficina principal en Los Angeles (1100 N. Eastern Avenue, Los Angeles) lo cual es accesible para individuos con incapacidades. Para solicitar comodidades SOLAMENTE, o para mas información del ADA, pongase en contacto con nuestro Coordinador del ADA del departamento al (323) 267-2432, de Lunes a Jueves de 7:00 a.m. a 5:30 p.m.

By order of the Board of Supervisors of the County of Los Angeles, State of California, dated November 13, 2012.

SACHI A. HAMAI, EXECUTIVE OFFICES  
OF THE BOARD OF SUPERVISORS  
OF THE COUNTY OF LOS ANGELES



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>

WILLIAM T FUJIOKA  
Chief Executive Officer

**DRAFT**

November 13, 2012

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

Board of Supervisors  
GLORIA MOLINA  
First District  
MARK RIDLEY-THOMAS  
Second District  
ZEV YAROSLAVSKY  
Third District  
DON KNABE  
Fourth District  
MICHAEL D. ANTONOVICH  
Fifth District

Dear Supervisors:

**AUTHORIZATION TO EXTEND CONTRACT FOR THE  
RISK MANAGEMENT INFORMATION SYSTEM  
(ALL DISTRICTS – 3 VOTES)**

**CHIEF INFORMATION OFFICER RECOMMENDATION:**

**APPROVE (X)    APPROVE WITH MODIFICATIONS ( )    DISAPPROVE ( )**

**SUBJECT**

This recommendation by the Chief Executive Office (CEO) and County Counsel seeks the Board’s approval to amend Contract No. 73275 with Risk Technologies, Inc. (RTI), for maintenance and repair services of the Risk Management Information System (RMIS), to extend the term of the Contract, effective December 7, 2012, for a base period of twelve (12) months through and including December 7, 2013, and an optional period of six (6) months for the period December 8, 2013 through June 8, 2014.

**JOINT RECOMMENDATION WITH COUNTY COUNSEL THAT THE BOARD:**

1. Approve and authorize the attached amendment to extend Contract No. 73275 with RTI for an additional base term of twelve (12) months beginning December 7, 2012, and continuing through December 7, 2013, at a base cost of \$819,957 for maintenance, plus cost for any work orders.
2. Delegate authority to the Chief Executive Officer (CEO) and County Counsel, as joint Program Directors, to extend Contract No. 73275 for another six (6) months, if needed, for the period December 8, 2013 through June 8, 2014, at a cost of \$409,979.

*“To Enrich Lives Through Effective And Caring Service”*

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

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

In approving the recommended actions, the County of Los Angeles (County) will continue to receive uninterrupted RMIS services for the period. Without the extensions, this contract will expire on December 6, 2012.

In late 2011, County Counsel began implementation of an e-billing system, CT Tymetrix T360, which interfaces with RMIS to provide streamlined processing and enhanced cost-control tools for attorney billings.

The CT Tymetrix T360 contract includes an option for “matter management” functionality, which appears to have the capacity to replace RMIS functionality. County Counsel and the CEO Risk Management Branch have exercised the “matter management” option in the CT Tymetrix T360 contract, which, when implemented, will provide lower-cost services, and is a replacement for the current RMIS system. Extending the current contract with RTI will allow the CEO and County Counsel to fully implement and test the CT Tymetrix T360 system, and to migrate RTI users. Once the new system is fully functional and the County accepts the CT Tymetrix T360 system, contract No. 73275 will be terminated.

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

The services provided under this contract support the County’s Strategic Plan Goal One, Operational Effectiveness, by providing a centralized claim and litigation database that the CEO, County Counsel, County departments, and County third party administrators utilize to improve the effectiveness of Countywide risk management and litigation activities.

### **FISCAL IMPACT/FINANCING**

Funding for system upgrade projects and maintenance and support have been included in the Insurance Budget for Fiscal Year 2012-13 and will be included in the proposed budget for Fiscal Year 2013-14.

In contract year 2011-12, the CEO expended \$876,900 for maintenance and \$132,308 for work orders.

## **FACTS AND PROVISIONAL/LEGAL REQUIREMENTS**

On March 6, 2001, the Board approved the contract with RTI to procure and maintain RMIS and authorized the CEO to execute up to six annual contract renewal options. On March 1, 2005, the Board approved Amendment No. 2 to the contract and instructed the CEO and County Counsel, as joint Program Directors, to seek the Board's approval before executing each annual renewal option for enhanced maintenance services, and to provide justification for the renewal, based upon outcome measurement methodology. On September 8, 2009, the Board authorized the CEO to execute Amendment No. 3, which added two additional annual renewal options to the contract as part of the contract extension/cost reduction initiative. The current term expires on December 6, 2012 and, upon the Board's approval of the contract extension, the contract will be extended from December 7, 2012 to December 7, 2013, with an option to extend for an additional six months, December 8, 2013 to June 8, 2014.

In October 2009, the CEO and County Counsel worked together to successfully implement the departmental reporting functions of the Cognos-based Online Risk Business Intelligence Tool (ORBIT) to distribute claims-related reports to all County departments on a monthly basis. The CEO and County Counsel continue to work closely to report to the Board information concerning claims and litigation.

As noted earlier, the CEO and County Counsel agreed to implement the CT Tymetrix T360's "matter management" functions as a replacement for the current RMIS. The "matter management" option consists of various work orders, which are anticipated to be completed by the second quarter of Fiscal Year 2013-14. To provide adequate time to conclude work orders and fully migrate RMIS users and historical data to the CT Tymetrix T360 system, while providing uninterrupted services through the current RMIS system, the current RMIS agreement needs to be extended. The CEO and County Counsel anticipate that a period of 12 months with an option to extend an additional six (6) months will be adequate for the County to implement, test, make further modifications, if necessary, and accept the expanded CT Tymetrix T360 system.

From March 6, 2001, through September 30, 2012, the CEO has spent a total of \$12,305,324 on RMIS, including system startup, system implementation, maintenance and support, and upgrades and modifications. Total anticipated contract expenditures through December 6, 2012, including work orders in progress, is \$12,710,594. The cost for this extension period will be \$1,229,936 for maintenance and support plus the costs of any outstanding modifications/upgrades.

This amendment updates the contract to include Board mandated provisions for the Local Small Business Enterprise Preference Program and Contractor Alert Reporting Database (CARD).

**IMPACT ON CURRENT SERVICES**

There is no impact on current services. Extension of this contract will ensure uninterrupted continuation of critical services to the CEO, County Counsel, County departments, and County third party administrators, through June 8, 2014. The Chief Information Officer has also reviewed and recommends approval of the actions. The Chief Information Security Officer has reviewed the Agreement and did not identify any information technology security- or privacy-related issues.

**CONCLUSION**

Upon approval by the Board, please return two signed originals of the amendment and one adopted copy of this letter to the CEO Risk Management Branch, attention Steven E. NyBlom, Acting Risk Manager.

Respectfully submitted,

WILLIAM T FUJIOKA  
Chief Executive Officer

JOHN F. KRATTLI  
County Counsel

Reviewed by:

RICHARD SANCHEZ  
Chief Information Officer

WTF:JFK:ES  
SEN:LC:sg

Attachments

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



**Approve Amendment No. 4 to Agreement 73275 with RTI, Inc. for an extension of the Risk Management Information System (RMIS) contract**

**BUSINESS DRIVERS:**

The RMIS system, used by over 200 users including County Counsel, CEO Risk Management Branch and the County's third party claim administrators for general and professional liability, is critical to the effective management of litigation and liability claims.

**PROJECT ORGANIZATION:**

The RMIS contract is jointly managed by the CEO and County Counsel.

**PERFORMANCE METRICS:**

The RMIS system has no significant performance issues, and in the period preceding the contract extension, existing work orders will be closed out. For the contract extension period beginning 12/7/2012, the only work orders anticipated are those necessary for data migration and transition to the new system. System performance is anticipated to remain stable through the contract extension period.

**Approve Amendment No. 4 to Agreement 73275 with RTI, Inc. for an extension of the Risk Management Information System (RMIS) contract**

STRATEGIC AND BUSINESS ALIGNMENT:

This project is consistent with the County Strategic Plan goals and Strategic Technology Directions for fiscal stewardship and maximizing effectiveness of the County's operations. It supports the continued delivery of efficient claims and litigation management during the transition period to a more robust and cost-effective solution.

PROJECT APPROACH:

County Counsel leveraged its contract with TyMetrix for matter management and e-billing of attorney expenses by including an option to replicate the functionality of the RMIS system at a low cost. This approach will provide cost savings and efficiencies due to the advanced features and flexibility of the TyMetrix platform.

ALTERNATIVES ANALYZED:

The CEO documented RMIS system requirements in preparation of issuing an RFP to replace the current system. The CEO and County Counsel jointly evaluated alternatives, and after discussing system requirements, business needs and cost, the decision was made to extend the RMIS contract until County

**Approve Amendment No. 4 to Agreement 73275 with RTI, Inc. for an extension of the Risk Management Information System (RMIS) contract**

	Counsel could develop and implement the RMIS replacement within the TyMetrix system.																		
<b>Technical analysis</b>	<p>ANALYSIS OF PROPOSED IT SOLUTION:</p> <p>The TyMetrix system meets all County Counsel and Auditor Controller security and confidentiality requirements, including server location and configuration and highly customizable user access settings. The TyMetrix system is Software as a Service platform which will improve efficiency by eliminating the hardware, software, maintenance fees and dedicated County resources that are currently needed to support the RMIS system.</p>																		
<b>Financial analysis</b>	<p>BUDGET:</p> <p>Contract costs</p> <p>One-time costs:</p> <table data-bbox="516 1381 974 1522"> <tr> <td>Hardware .....</td> <td>0</td> </tr> <tr> <td>Software .....</td> <td>0</td> </tr> <tr> <td>Services .....</td> <td>0</td> </tr> <tr> <td><b>Sub-total one-time costs:</b></td> <td><b>\$0</b></td> </tr> </table> <p>Ongoing costs (FY12/13 thru13/14):</p> <table data-bbox="516 1585 1079 1759"> <tr> <td>Hardware.....</td> <td>\$0</td> </tr> <tr> <td>Software .....</td> <td>\$0</td> </tr> <tr> <td>Services .....</td> <td>\$1,229,935</td> </tr> <tr> <td><b>Sub-total ongoing costs :</b></td> <td><b>\$0</b></td> </tr> <tr> <td><b>Pool Dollars:</b></td> <td><b>\$0</b></td> </tr> </table> <p><b>Total contract costs: \$1,229,935 (excluding work order costs)</b></p> <p>The execution of this Contract Amendment will increase the Total Maximum Contract Sum for the term of the Agreement by \$2,769,063 from \$4,230,937 to \$7,000,000. The approved total amount for this Contract is \$15,000,000.</p>	Hardware .....	0	Software .....	0	Services .....	0	<b>Sub-total one-time costs:</b>	<b>\$0</b>	Hardware.....	\$0	Software .....	\$0	Services .....	\$1,229,935	<b>Sub-total ongoing costs :</b>	<b>\$0</b>	<b>Pool Dollars:</b>	<b>\$0</b>
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Software .....	0																		
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<b>Sub-total one-time costs:</b>	<b>\$0</b>																		
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Services .....	\$1,229,935																		
<b>Sub-total ongoing costs :</b>	<b>\$0</b>																		
<b>Pool Dollars:</b>	<b>\$0</b>																		



**RISK MANAGEMENT INFORMATION SYSTEM (RMIS) CONTRACT  
AGREEMENT NO. 73275**

**AMENDMENT NO. 4**

This Amendment No. 4 ("Amendment No. 4") is entered into by and between the County of Los Angeles ("COUNTY") and Risk Technologies, Inc. ("CONTRACTOR") and amends that certain County Agreement number 73275, dated March. 6, 2001 for a Risk Management and Claims Information System, as amended by that certain Amendment No. 1, dated as of July 16, 2002, and that certain Amendment No. 2, dated as of December 14, 2004, and that certain Amendment No. 3 dated January 14, 2010.

WHEREAS, COUNTY and CONTRACTOR mutually agree it is in their interests to extend the term of this Agreement by an additional Renewal Term(s) of twelve (12) months with a six (6) month option; and

WHEREAS, COUNTY and CONTRACTOR mutually agree that it is beneficial to reduce the annual fee for maintenance and repair services and adjust the number of analysts needed for the Onsite Help Desk; and

WHEREAS, COUNTY and CONTRACTOR agree to add new County mandated provisions regarding the County's Local Small Business Enterprise (SBE) Preference Program and Contractor Alert Reporting Database (CARD).

NOW, THEREFORE, in consideration of the mutual benefits derived there from, it is agreed between COUNTY and CONTRACTOR that Agreement No. 73275 shall be amended as follows:

1. This Amendment No. 4 shall come into full force and effect on December 7, 2012 ("Amendment No. 4 Effective Date").
2. Section 4.4, Maintenance and Repair Services, Subsection 4.4.1, Term, is hereby deleted in its entirety and replaced with the following:

"4.4.1 Term

COUNTY and CONTRACTOR acknowledge that as of the Amendment No. 4 .Effective Date, COUNTY has extended the term of this Agreement to add the Renewal Term of December 7, 2012 to and including December 7, 2013, to allow for continuing maintenance and repair services; and that the COUNTY may, through its Program Directors, exercise an additional option Renewal Term of six (6) months from December 8, 2013 through June 8, 2014 by providing written notice to CONTRACTOR within sixty (60) days prior to the expiration of the then-current term."

3. Section 4.4.2.2, Help Desk Services, Subsection 4.4.2.2 is hereby deleted in its entirety and replaced with the following:

"4.4.2.2 "Help Desk" services or "Support" shall be provided by CONTRACTOR with "Dedicated" staff during the Initial Term and the Renewal Terms. Dedicated Help Desk staff shall consist of at least one (1) full-time CONTRACTOR personnel dedicated to provide Support for COUNTY only."

4. Section 4.4, Maintenance and Repair Services, Subsection 4.4.4.2 is hereby deleted in its entirety and replaced with the following:

"4.4.4.2 COUNTY and CONTRACTOR acknowledge that, during the Renewal Term of December 7, 2012 to and including December 7, 2013; COUNTY shall pay CONTRACTOR a not to exceed amount of Eight Hundred Nineteen Thousand, Nine Hundred Fifty Seven Dollars (\$819, 957.00). Should the additional option Renewal Term of six (6) months from December 8, 2013 through June 8, 2014 be exercised by the COUNTY, CONTRACTOR shall be paid a not to exceed amount of Four Hundred Nine Thousand, Nine Hundred Seventy-Nine Dollars (\$409,979.00).

Upon the Amendment No. 4 Effective Date, COUNTY will pay CONTRACTOR, in arrears, monthly installments of Sixty Eight Thousand, Three Hundred Twenty Nine Dollars and Sixty-Nine Cents (\$68,329.69) for the remainder of any such Renewal Term and option Renewal Term, if exercised by the COUNTY.

Following each month for which maintenance and repair services are rendered, CONTRACTOR shall submit an invoice to COUNTY, in accordance with Section 8.2 (Payments for Other Services), which qualitatively identifies those maintenance and repair services provided during the month for which the invoice is submitted. Upon receipt of each monthly invoice, COUNTY will institute a ten percent (10%) payment withhold, pending confirmation by COUNTY that those services described in each invoice were satisfactorily provided.

During any month of any Renewal Term, in lieu of the monthly installments for maintenance and repair services set forth above, COUNTY may elect to receive maintenance and repair services on a time-and-materials basis, at the hourly rates set forth in Exhibit E, Maintenance Fee Schedule, up to the installment amount described above for that month."

5. Section 5.0, TERM, Subsection 5.1, paragraph one (1), is hereby deleted in its entirety and replaced with the following:

"5.0 TERM

5.1 The term of this Agreement shall commence upon the Effective Date and shall extend to and including December 7, 2013, unless sooner terminated or later extended, in whole or in part; as provided in this Agreement, and shall consist of the following time intervals:"

6. Section 7.0, CONTRACT SUM, Subsection 7.2 is hereby deleted in its entirety and replaced with the following:

"7.2 Notwithstanding any provision to the contrary, expressly or by implication, the Contract Sum for this Agreement authorized by COUNTY hereunder, including, without limitation, all applicable taxes, shall not exceed Fifteen Million Dollars (\$15,000,000.00) and will be comprised of the amounts set forth below. The parties acknowledge that, as of the Amendment No. 4 Effective Date, approximately Twelve Million, Seven Hundred Ten Thousand, Five Hundred Ninety-Four Dollars (\$12,710,594) has been earned and paid under this Agreement, and the remainder of Two Million, Two Hundred Eighty Nine Thousand, Four Hundred Six Dollars (\$2,289,406.00) is hereby authorized as set forth below.

(A) One Million, Fifty-Nine Thousand, Four Hundred Seventy One Dollars (\$1,059,471.00) payable in accordance with Work Orders for data conversion work, modifications, integration, system migration and enhancements requests, if any, for the System at a blended rate of \$175/hour.

(B) One Million Two Hundred Twenty Nine Thousand, Nine Hundred Thirty Five Dollars (\$1,229,935.00), payable as set forth in Section 4.4, Maintenance and Repair Services, Subsection 4.4.4.2."

7. Section 35.0, TERMINATION FOR CONVENIENCE, Subsection 35.1, is hereby deleted in its entirety and replaced with the following:

"35.1 This Agreement may be terminated, in whole or in part, from time to time, when such action is deemed by COUNTY, in its sole and absolute discretion, to be in its best interest. Termination of work hereunder shall be effected by delivery to CONTRACTOR of a notice of termination specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than sixty (60) days after the notice is sent,

provided that in event COUNTY has purported to terminate this Agreement for default by notice pursuant to Section 34.0 (Termination for Default) and it has later been determined that CONTRACTOR was not in default, no additional notice shall be required upon such determination."

8. Exhibit E, MAINTENANCE FEE SCHEDULE, is hereby is hereby deleted in its entirety and replaced with the attached Exhibit E, Maintenance Fee Schedule.
9. Exhibit J, ADDITIONAL MANDATORY TERMS, is hereby amended to include the attached Section 71.0 Local Small Business Enterprise (SBE) Preference Program and Section 72.0 Contractor Alert Reporting Database (CARD).
10. The "Whereas" clauses in this Amendment No. 4 are hereby incorporated into this Amendment No. 4 as though fully set forth hereat.
11. CONTRACTOR hereby represents and warrants that the person executing this Amendment No 4 for CONTRACTOR is an authorized agent who has actual authority to bind CONTRACTOR to each and every term, condition, and obligation of this Amendment No. 4 and that all requirements of CONTRACTOR have been fulfilled to provide such actual authority.
12. This Amendment No. 4 is the product of arm's length negotiation between CONTRACTOR and COUNTY. Each party has had at all times the opportunity to receive advice from independent counsel of its own choosing. This Amendment No. 4 is to be interpreted fairly as between the parties, and not strictly construed as against either party as drafter or creator.
13. Except for the changes set forth herein above, this Agreement shall not be changed in any respect by this Amendment No. 4.

IN WITNESS WHEREOF, the Contractor has executed this Amendment No. 4, or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has cause this Amendment No. 4 to be executed on its behalf by the Chairman of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof.

CONTRACTOR:

RISK TECHNOLOGIES, INC.

By: \_\_\_\_\_  
Signature

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:

SACHI A. HAMAI  
Executive Officer-Clerk  
Board of Supervisors

By: \_\_\_\_\_

APPROVED AS TO FORM:

JOHN F. KRATTLI  
County Counsel

By: \_\_\_\_\_  
Truc L. Moore  
Senior Deputy County Counsel

## EXHIBIT E

### MAINTENANCE FEE SCHEDULE

Maintenance and Repair Services:

For the annual Renewal Term December 7, 2012 through and including December 7, 2013:

\$819,957 per year, to be paid in monthly increments of \$68,329.69 each in arrears.

For the annual Renewal Term December 8, 2013 through and including June 8, 2014:

\$409,979 for six months, to be paid in monthly increments of \$68,329.69 each in arrears.

Time and Materials:

TITLE	HOURLY RATE
Senior Project Executive	\$185
Project Director	\$162
Project Manager	\$162
Lead Developer	\$139
Database Administrator	\$139
Developer	\$139
Business Analyst	\$70

Other Work

Data conversion work, modifications, integration, system migration and enhancements requests, if any, for the System, will be performed at a blended rate of \$175/hour.

## EXHIBIT J

### ADDITIONAL MANDATORY TERMS

#### 71.0 LOCAL SMALL BUSINESS ENTERPRISE (SBE) PREFERENCE PROGRAM

The Agreement is subject to the provisions of County's ordinance entitled Local Small Business Enterprise Preference Program, as codified in Chapter 2.204 of the County Code.

- 71.1 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Local Small Business Enterprise.
- 71.2 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Local Small Business Enterprise.
- 71.3 If Contractor has obtained certification as a Local Small Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded the Agreement to which it would not otherwise have been entitled, shall:
  - A. Pay to County any difference between the contract amount and what the County's costs would have been if the Agreement had been properly awarded;
  - B. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent (10%) of the amount of the Agreement; and
  - C. Be subject to the provisions of Chapter 2.202 of the County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).
- 71.4 The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the state and County's Office of Affirmative Action Compliance of this information prior to responding to a solicitation or accepting a contract award.

## 72.0 CONTRACTOR ALERT REPORTING DATABASE (CARD)

The COUNTY maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.



**DRAFT**

Office of the CIO  
**Technology Directive**

NUMBER:  
**TD 11-05**

SUBJECT: <b>Server Virtualization</b>	DATE ISSUED: October XX, 2012	DATE REVISED:
	EXPIRES: UNTIL RESCINDED	
	CIO PROGRAM: ENTERPRISE INITIATIVES & STRATEGIC PLANNING	

REFERENCES:

- CEO Countywide IT Initiatives



Countywide IT  
Initiatives 022412.pd

**Distribution** IT Board Deputies, CEO Executive Committee, Department Heads, Department Chief Deputies, CIO Council Leadership Committee, CIO Council Members.

- Purposes**
1. To increase operational efficiencies of the County’s computing resources and reduce licensing costs.
  2. To drive down future costs related to equipment refresh activities.
  3. To reduce power consumption and computing space requirements.
  4. To enable other Countywide IT initiatives that rely upon virtualized servers.
  5. To address the County’s data center and disaster recovery (DR) needs in a more consistent, affordable and equitable manner.
  6. To formally establish server virtualization as an established Countywide technology infrastructure best practice.
  7. To complete the implementation of purchased virtualization software.

**Background & Context** Server virtualization allows for multiple physical server computers—and their operating systems and applications—to be consolidated into fewer, higher capacity servers, allowing for more efficient usage of computing resources. This consolidation reduces the physical server inventory, which in turn reduces cost, footprint and power consumption. It also enables faster and more cost effective disaster recovery options than with traditional physical server computing.

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In February 2012, the CEO established a set of priority Countywide Information Technology Initiatives, which included server virtualization. Virtualization is key to other Countywide IT Initiatives, including the new Countywide data center, consolidated disaster recovery data center, Countywide E-mail System, and IT Shared Services.

To cost-effectively speed the adoption and optimization of server virtualization, the County established an enterprise license agreement (ELA) agreement with VMware, comprised of 14 County departments, which provided software and technical services. However, progress toward implementing the software and completing virtualization has varied by department based on budget, technical resources, and departmental priorities.

Initial individual assessments of the remaining departments' server environments to determine which applications and physical servers can be consolidated are underway, along with general familiarization of departmental IT staff on server virtualization.

ISD has deployed a scalable, shared computing infrastructure, or "private cloud" environment, that is replacing its dedicated, multiple physical server hosting model. In addition to reducing costs through virtualizing the server environment, the ISD private cloud will provide disaster recovery, information security, and multi-tenancy capabilities. As of August 2012, ISD has virtualized approximately 80% of its physical, shared infrastructure servers to the new private cloud. It is the County's strategic direction that this private cloud is the County's long-term virtual computing environment and is a key component to the County's strategy for a consolidated primary data center and a consolidated disaster recovery data center.

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**Directive****Server Virtualization**

All County departments shall virtualize their servers in order to reduce hardware and software costs, computing footprint, and power consumption. All physical servers capable of virtualization must be virtualized by no later than June 30, 2014.

The preferred approach is to migrate departmental servers to the ISD private cloud infrastructure at the time of virtualization to minimize hardware and software costs, maximize data center best practices and facilitate disaster recovery activities.

Departments that have not yet invested in the software tools and/or hardware required for server virtualization, are directed to work with CIO,

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CEO and ISD to:

- Assess their current server environments
- Determine migration costs, on-going costs and funding sources
- Plan their migration to the ISD private cloud infrastructure
- Participate in migration-related activities

Departments that are already engaged in server virtualization activities within their own computing environments are directed to contact the CIO to review their progress, resources, and readiness to fully complete their virtualization projects. Based on the outcome of those reviews, those departments will be directed either to complete virtualization in their existing virtualized environments or to plan for migration to the ISD private cloud infrastructure.

Key considerations used in these reviews will be:

- Virtualization progress (percentage of physical servers virtualized)
- Virtualization density (ratio of virtual servers to virtual hosts)
- Existing investment in software licenses, equipment, and services
- Additional investments required to complete virtualization
- Departmental expertise in the design and operation of virtualized infrastructure
- Funding sources and restrictions
- Regulatory, legislative, or Board-mandated compliance requirements
- Suitability of the ISD private cloud infrastructure service offering
- Disaster recovery capabilities and roadmap for the virtualized infrastructure, including anticipated investments

Recognizing the County's long-term strategic direction is to consolidate computing environments to the County's private cloud at ISD's data centers, departments are encouraged to move departmental-hosted x86-based applications to the County's private cloud as soon as possible. Since ISD's environment has a comprehensive disaster recovery architecture, business-critical applications without adequate DR are strong candidates for migration to the private cloud regardless of the outcome of the aforementioned virtualization project reviews.

#### Reporting

All County departments that have not completed their server virtualizations shall report on their virtualization progress to CIO at least once per quarter for roll-up reporting to the CEO.

#### Software Licensing

Any County department utilizing VMware virtualization software outside of the established County ELA (e.g. acquired through a third-party) shall contact the CIO to plan for either release of those licenses or migration of those

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licenses to the ELA.

Software, Hardware, Maintenance, Training, and Professional Services

The CIO shall approve all expenditures of virtualization-related hardware, software, licenses, maintenance, training, and professional services to ensure compliance with this Technology Directive.

Non-Virtualized Servers

Any new, non-virtualized server procurements shall be reviewed and approved by the CIO. Those procurements must include justifications on how the physical servers cannot be virtualized and how the procurement is consistent with the department's server virtualization plan and with this Technology Directive.

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***Scope & Applicability***

This Technology Directive applies to all departments. The scope is x86 architecture-based server computers at this time.

For departments approved to complete virtualization within their own environment, this Technology Directive should not be construed as an exception to any future Countywide policy or directive regarding continued centralization of IT services.

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***Exceptions***

Requests for exceptions to this Technology Directive shall be reviewed and approved by the CIO with notification to the CEO.

Departments requesting exceptions shall document and submit their requests to the CIO. The request should specifically state the scope of the exception with justification for requesting the exception, the potential impacts and/or risks of granting the exception, costs and timeframes for compliance with this Technology Directive. Although some software providers will inform departments that their applications must run on dedicated servers, departments must validate this information before requesting an exception.

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***Definitions***

**CIO** – Los Angeles County Office of the Chief Information Officer.

**ISD** – Internal Services Department.

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***Approved***

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Richard Sanchez, Chief Information Officer  
County of Los Angeles

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Please contact the Office of the CIO (213.253.5600 or [info@cio.lacounty.gov](mailto:info@cio.lacounty.gov)) for questions concerning this Technology Directive. This document is also available online at <http://ciointranet.lacounty.gov/>

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