



County of Los Angeles CHIEF EXECUTIVE OFFICE OPERATIONS CLUSTER

SACHI A. HAMAI
Chief Executive Officer

DATE: July 14, 2016
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 – James Blunt / Gevork Simdjian
 - A) **Board Memo – NOTIFICATION OF SOLE SOURCE NEGOTIATIONS WITH ORACLE USA, INC. FOR DEVELOPMENT OF ASSESSOR MODERNIZATION PROJECT (AMP) PHASE II**
Assessor – Jeffrey Prang or designee
 - B) **Board Memo – ADVANCE NOTIFICATION OF INTENT TO NEGOTIATE A SOLE SOURCE EXTENSION, NOT TO EXCEED EIGHTEEN MONTHS, FOR AGREEMENT NO. 76582 WITH COLUMBIA ULTIMATE, INC. FOR CONTINUED MAINTENANCE AND SUPPORT OF THE COUNTY'S DEBT COLLECTION SYSTEM**
TTC – Joseph Kelly or designee
 - C) **Board Letter – REQUEST FOR APPROVAL AND AWARD OF AS-NEEDED TEMPORARY STAFFING SERVICES CONTRACTS**
ISD – Dave Chittenden or designee
2. Public Comment
3. Adjournment



JEFFREY PRANG
ASSESSOR
COUNTY OF LOS ANGELES
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LOS ANGELES, CALIFORNIA 90012-2770
assessor.lacounty.gov
(213) 974-3101



July 14, 2016

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

FROM: Jeffrey Prang
Assessor

NOTIFICATION OF SOLE SOURCE NEGOTIATIONS WITH ORACLE USA, INC. FOR DEVELOPMENT OF ASSESSOR MODERNIZATION PROJECT (AMP) PHASE II

This notice is being sent in accordance with Revised Board Policy 5.100, which requires that County of Los Angeles (County) Departments that intend to negotiate a sole source service contract for Board approval must provide advance written notice to the Board at least four (4) weeks prior to commencing contract negotiations for new contracts.

The Assessor intends to begin sole source contract negotiations with Oracle USA, Inc. (Oracle) for development of Assessor Modernization Project (AMP) Phase II four weeks from the date of this memorandum. Phase II of AMP will not commence until Phase I development is complete.

Background

The Assessor's current legacy system environment includes over 120 aging applications that are not well integrated. Many of the mainframe applications were originally implemented between 1965 and 1978. The Assessor conducted an extensive evaluation of Commercial-Off-the-Shelf (COTS) products, including property tax administration and assessment systems and middleware products, and consulted with Sierra Systems, Gartner, and the County Chief Information Office (CIO), to identify two vendors, Oracle America, Inc. (Oracle) and International Business Machines Corporation (IBM) that already had Master Services Agreements (MSA) for middleware products and consulting services with the County. Working closely with CIO and County Counsel, a "targeted solicitation" process was developed under the MSA work order process and proposals from Oracle and IBM were evaluated. The Assessor, with the assistance from ISD, evaluated each of the Work Order proposals and determined that Oracle's response proposed a more cost effective and complete solution to address the business needs of

the Assessor. County Counsel and Outside Counsel reviewed the process and concurred with the selection of Oracle.

On June 16, 2015, your Board authorized the Assessor and CIO to execute a work order with Oracle for the development of Phase I of AMP. Phase I is part of a five phase agile development project to replace the Assessor's currently outdated systems. Phase I of AMP will establish the overall enterprise architecture and plan for the entire system, and includes the foundational system components including: the creation and population of a new assessment roll system ("Assessment Roll"); rewrite of the "Assessor Portal" interface for both personal computers ("PC") and mobile devices; functionality to store base year value and compute trending for all properties on the Assessment Roll; and a case management pilot designed for secure taxpayer self-service access. The "Go Live" date for AMP Phase I is set for October 2016.

Throughout Phase I the Assessor has fostered a working relationship with partner departments including the Chief Executive Office (including Chief Information Office), the Internal Services Department, the Auditor-Controller, the Board of Supervisors, the Treasurer and Tax Collector, the Registrar-Recorder/County Clerk, and County Counsel. The departments have participated in a regular Advisory Steering Committee discussing project status, collaboration and integration points, shared functional roadmaps, and budget and unmet needs. Several modifications to our existing Assessor Portal resulted from these discussions with corresponding changes to the AMP functional roadmap for future phases. Furthermore, the Assessor has worked with County Assessors throughout the State of California through the California Assessors' Association and a Peer Review Committee to ensure that AMP meets recognized standards for California assessment practices.

Phase II of AMP will build on the foundations of functionality built in Phase I and provide additional functional components including: property identification, address management, and parcel change; foundational elements for master workflows and automation of the new construction process; Prop 13 assessment processing; replacement/modernization of system interfaces with partner Departments (primarily Auditor-Controller and Treasurer & Tax Collector); foundational elements for automating market approach appraisals; and functionality that supports the processing of public service inquiries and assessment exclusions (i.e., miscellaneous Propositions).

Justification for Sole Source Contract

In our extensive evaluation of COTS products and other California Counties' attempts to modernize their property tax assessment systems, we found high project failure rates in medium and large-sized counties throughout the State. One of the foremost reasons was the lack of understanding of California assessment practices by the vendor (even vendors well versed in property tax assessment in general) and the inability of those vendors to adapt their products to comply with California assessment practices. To mitigate this risk,

Oracle's staff was collocated with Assessor's subject matter experts to gain an understanding of the depth and complexity of California assessment practices.

Over the past eleven (11) months, Oracle's architects and technical staff have been onsite working hand-in-hand with Assessor's staff to develop the foundational pieces of AMP, including the complex data structures and business rules needed to support property taxation in the County. Numerous workshops, discussions and clarifications resulted in the successful acceptance of key deliverables including business requirements and the functional, technical and solution architectures for AMP. Throughout this period and by design, the Assessor has been able to evaluate Oracle's performance on this critical project and make any adjustments necessary for a successful Phase II deployment. Phase II will reuse key Phase I development and architectural artifacts developed by Oracle. Introducing a new vendor to an ongoing project would introduce new risk and significantly disrupt the development process. In addition, the institutional knowledge gained by Oracle during this period is a key component for seamless development of AMP, which is a time-sensitive project with a significant learning curve. To negotiate with a new partner would result in increased costs, higher risks to the County and major delays in project schedule.

The Assessor has furthermore concluded that Oracle's performance to date has demonstrated their dedication and commitment to the project, and their ability to see it through to a successful conclusion. Oracle has invested strong executive sponsorship, committed appropriate quality resources, reasonably met targeted deadlines and has stayed within the approved budget for Phase I while delivering on the contracted functionality. The Assessor and Oracle are on-target to launch Phase I of AMP by October 2016.

The on-site solution and development efforts have also resulted in a successful working relationship between Oracle, the Assessor, and the Internal Services Department (ISD). The Assessor plans to internally develop key components in Phase II jointly with Oracle. Maintaining the resource continuity between organizations will support this effort. In regards to infrastructure, Assessor, ISD and Oracle have collaborated in the architecture, provisioning and configuration of the multiple technical environments needed to support AMP. Similar to Oracle learning and understanding the Assessor's business, Oracle spent significant time with ISD learning and understanding the County's network infrastructure. Building on this knowledge and maintaining this consistency will allow us to efficiently administer and upgrade existing environments while quickly deploying new environments and enhancements as needed resulting in both time and costs savings.

The Assessor is aggressively targeting to decommission its legacy systems by July 2019. This timeline is dependent on maintaining a consistent and dedicated vendor throughout the early phases of AMP. In both Phase I and Phase II, there is a heavy reliance on training, mentoring and knowledge transfer from Oracle. The Assessor will begin development responsibilities in Phase II, and will increasingly reduce its dependency on

Oracle starting in Phase III with a goal of becoming self-reliant by the end of Phase V. Maintaining a consistent vendor will foster this approach.

Timeline

The Assessor intends to commence contract negotiations with Oracle for Phase II of AMP four weeks from the date of this memorandum. AMP development will continue until the Phase I work order is completed which is estimated to be in October 2016. Phase II will not commence until Phase I development is complete.

Conclusion

Oracle has provided great service and is committed to the success of AMP. They have delivered to the expectations of the Assessor and are a valued partner for the County and the Assessor's development team. Based on discussions with CEO, CIO, ISD and County Counsel, and our evaluation of Oracle's performance to-date, sole source approval will mitigate risks highlighted above and will provide project continuity, cost savings and timely delivery of a fully integrated and modernized assessment system which serves as the backbone of the property tax system.

If you have any questions or require additional information please let me know.

Attachment

JP:SMH

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Internal Services Department

SOLE SOURCE CHECKLIST

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. Monopoly is an “ <i>Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.</i> ”
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
✓	➤ Services are needed to address an emergent or related time-sensitive need. See attached memo.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
✓	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider. See attached memo.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
✓	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County. See attached memo.

Chief Executive Office

Date



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

PROPERTY TAX PORTAL
LACOUNTYPROPERTYTAX.COM

July 14, 2016

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

FROM: Joseph Kelly
Treasurer and Tax Collector

SUBJECT: **ADVANCE NOTIFICATION OF INTENT TO NEGOTIATE A SOLE SOURCE EXTENSION, NOT TO EXCEED EIGHTEEN MONTHS, FOR AGREEMENT NUMBER 76582 WITH COLUMBIA ULTIMATE, INC. FOR CONTINUED MAINTENANCE AND SUPPORT OF THE COUNTY'S DEBT COLLECTION SYSTEM**

In accordance with Board Policy 5.100, Sole Source Contracts, this correspondence provides notification to your Board that the Treasurer and Tax Collector (TTC) intends to enter Sole Source Contract extension negotiations with Columbia Ultimate, Inc. (Columbia Ultimate) for the continued maintenance and support of debt collection software. The extension is necessary so that we may complete the competitive solicitation process and implement a replacement system.

BACKGROUND

The existing sole source Agreement is required for the licensing, professional services, and on-going support and maintenance of Columbia Ultimate's proprietary software application, Revenue Plus Collection System, utilized and identified by the TTC and Probation Department (Probation) as the Collections and Accounts Receivable System (CARS) for delinquent debt owed to the County and to Probation, and for restitution owed to victims of crimes. The CARS interfaces with a collection agency under contract with the TTC and uploads collection referrals in an automated manner. On an annual basis, the TTC collects approximately \$26.5 million and adds approximately 91,000 new accounts to the CARS.

JUSTIFICATION

The TTC released a competitive solicitation for a replacement system in July 2015, and we have concluded contract negotiations with the most responsive and responsible proposer. During negotiations, we determined that the proposed commercial off the shelf system required additional configuration and customization to fully meet the County's needs. The foregoing is expected to take 18 months and as such, the TTC requires a transition period for the Agreement, which is currently set to expire on September 30, 2016.

The proposed sole source Amendment for the 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) Probation will not have the ability to perform their court ordered mandate of monitoring probationer payments of fines, fees, and victim restitution.

CONCLUSION

Unless otherwise directed by your Board, within ten business days from the date of this notification, July 28, 2016, we will proceed with sole source contract negotiations to extend the Agreement for a period not to exceed 18 months in order to complete the implementation processes. If successful, we plan to bring an extension amendment to your Board, together with the award of the new agreement, in August 2016.

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, at (213) 974-0703 or kknox@ttc.lacounty.gov.

JK:KK:RM:EVT:kg

CARS NOI 7-14-16

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



DAVE CHITTENDEN
Chief Deputy Director

County of Los Angeles INTERNAL SERVICES DEPARTMENT

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Los Angeles, California 90063

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"To enrich lives through effective and caring service"

August 2, 2016

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:

REQUEST FOR APPROVAL AND AWARD OF AS-NEEDED TEMPORARY STAFFING SERVICES CONTRACTS (ALL DISTRICTS – 3 VOTES)

SUBJECT

Request approval to award and execute three contracts to provide as-needed temporary staffing services.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and instruct the Chair to sign the attached contracts with Trust Temporary Staffing, Inc., dba Helpmates Staffing Services, San Diego Personnel and Employment Agency, Inc., dba Good People Employment Services, and Howroyd-Wright Employment Agency, Inc., dba AppleOne Employment Services to provide as-needed temporary staffing services to the Internal Services Department (ISD) for a period of three (3) years, with two (2) one-year renewal options and six month-to-month extensions for a maximum total contract term of five (5) years and six (6) months, for an annual aggregate amount of \$200,000 for all three contracts.
2. Authorize the Director of ISD, or designee, to execute amendments to exercise options to extend the contract term, and execute amendments should the original contracting entities merge, be acquired, or otherwise have a change of entity.
3. Authorize the Director of ISD, or designee to increase the contract amount up to an additional 10 percent to allow for any possible cost of living adjustments in accordance with County policy and terms of the contract.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The recommended contracts are necessary to obtain as-needed temporary staffing services on an intermittent basis, where utilization of permanent County employees is not possible or is impractical. It is necessary for the County to hire temporary assistance to maintain business continuity during peak load periods, emergency situations, and temporary vacancies.

ISD has exhausted options to utilize existing sources to obtain temporary staffing, including the County's pilot registry, which is currently not available, and the Executive Office's agreements for Temporary Contract services. Based on discussions with the Executive Office, this ISD's temporary staffing needs could not be accommodated within the Executive Office's contract authority for these agreements.

The recommended contracts will only be utilized, as needed and secondary to the pilot registry to fill temporary clerical or accounting positions in ISD.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended contracts support the County's Strategic Plan Goal No. 1, Operational Effectiveness by providing ISD with timely and effective staffing services.

FISCAL IMPACT/FINANCING

ISD has included sufficient appropriation in its FY 2016-17 budget request and will continue to do so in future fiscal years.

Expenditures under these contracts will vary from year to year based on the needs of the department. Approval of the recommended contracts does not guarantee the contractors any minimum amount of business. Funding in subsequent fiscal years will be requested in ISD's Budget Request on an annual basis. The annual contract amounts will not exceed \$200,000 in the aggregate for all three contracts.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The recommended contracts have been approved as to form by County Counsel (Attachments I - III).

The County is authorized under Government Code section 31000.4 to obtain temporary help to assist the County during any peak load, temporary absence, or emergency. Use of temporary help under this Government Code Section is limited to a period not to exceed a maximum of ninety (90) days or (720 hours) per project.

The contracts 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 and the Child Support program.

County Code 2.121 does not apply to as-needed temporary staffing services as the contracted work is temporary and intermittent. As such, the proposed contracts are not subject to the County's Living Wage Program.

The contract rates are fixed for the initial term of the contract. The contracts allow for a Cost of Living Adjustment (COLA) increase during the option years, if the option years are exercised by the County and consistent with the Board approved methodology.

CONTRACTING PROCESS

On February 24, 2016, ISD released a Request for Proposals (RFP) for As-Needed Temporary Staffing Services and posted the solicitation and contracting opportunity announcement on the County's "Doing Business with Us" website (Attachment IV).

Eight (8) proposals were received by the March 17, 2016 deadline and were reviewed for compliance with the minimum requirements set forth in the RFP. Two (2) proposals were disqualified because they did not meet the minimum requirements. The proposals that met the minimum requirements were evaluated by an evaluation committee in accordance with the evaluation process identified in the RFP. During evaluations one proposal was found to be non-responsive and disqualified. Non-selected proposers received debriefings on May 2 and May 3, 2016. There were no protests resulting from this solicitation.

On final analysis and consideration of the awards, the recommended contractors were selected without regard to gender, race, color, creed, or national origin.

A summary of Community Business Enterprise Program information for each of the recommended contractors is attached (Attachment V).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

No staff impact will result from the award of the recommended contracts, as the requested contracts are intended for use only during peak loads, temporary absences, or emergencies.

Honorable Board of Supervisors
August 2, 2016
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CONCLUSION

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

Respectfully submitted,

DAVE CHITTENDEN
Chief Deputy Director

JJ:DC:JS:YY:ct

Enclosures

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