



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

SACHI A. HAMAI  
Chief Executive Officer

**DATE:** February 11, 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 Letter – SOLE SOURCE EXTENSION TO THE AGREEMENT WITH SAGA TECHNOLOGIES FOR EMHUB**  
DHS – Mitchell H. Katz, M.D., or designee
  - B) **ADVANCE NOTIFICATION OF INTENT TO ENTER INTO NEGOTIATIONS FOR A RETROACTIVE SOLE SOURCE CONTRACT WITH PALANTIR TECHNOLOGIES, INC. TO PROVIDE SOFTWARE MAINTENANCE AND APPLICATION SUPPORT FOR THE JOINT REGIONAL INTELLIGENCE CENTER**  
LASD – Jim McDonnell, Sheriff or designee
  - C) **Board Letter – APPROVAL OF REVISED BOARD POLICY NUMBER 8.020 – PROCEDURES FOR INCLUDING CORRECTIVE FOLLOW-UP REPORTS AS PART OF THE CLAIMS SETTLEMENTS PRESENTED TO THE BOARD**  
CEO – Steven Robles or designee
  - D) **ORDINANCE AMENDING TITLE 2 — ADMINISTRATION AND TITLE 8 — CONSUMER PROTECTION, BUSINESS AND WAGE REGULATIONS OF THE LOS ANGELES COUNTY CODE**  
County Counsel – Mary Wickham or designee
  - E) **Presentation – DEPARTMENT OF HUMAN RESOURCES INFORMATION TECHNOLOGY ROADMAP**  
DHR – Lisa Garrett or designee
2. Public Comment
3. Adjournment

March 1, 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:

**APPROVAL OF AMENDMENT TO SOLE SOURCE AGREEMENT  
NO. H-704368 WITH SAGA TECHNOLOGIES, INC.  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

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

**SUBJECT**

Approval of Amendment to existing Agreement with Saga Technologies, Inc. for operations and maintenance services at County Medical Hubs to extend the term, amend the statement of work, increase the Contract Sum, and update the Agreement to add terms and conditions applicable to the services provided to County.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Authorize the Director of Health Services (Director), or his designee, to execute Amendment No. 2 (Amendment) to Agreement No. H-704368 (Agreement) with Saga Technologies, Inc. (Saga), to extend the Agreement for three additional years with two subsequent one-year automatic extended terms through March 31, 2021, with an increase of \$2,838,976.90 to the Contract Sum, which includes \$500,000 in pool dollars, for ongoing operations and maintenance services and additional work as described in the Agreement.
2. Delegate authority to the Director, or his designee, to effectuate actions related to renewal terms, and to execute future amendments and change notices to: (i) add, delete, and/or change non-substantive terms and conditions in the Agreement and/or make any necessary changes as required by applicable laws; (ii) modify the statement of work to reflect County standards and needs, reduce scope, and add/remove County Medical Hubs; (iii) approve additional operational and administrative workflow changes, including modifications to DHS protocols and policies reflected in the Agreement and scope of work; and (iv) approve annual Cost of Living Adjustments (COLAs), at the Director's discretion consistent with

the Board's COLA policy, with all actions subject to the review and approval of County Counsel.

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

Under the current Agreement, Saga expanded and augmented the custom-built mHUB system, used at LAC+USC Medical Center, to what it is today - an Enterprise mHUB System (E-mHUB). E-mHUB was implemented throughout the six (6) County Medical Hubs, namely Harbor-UCLA Medical Center, High Desert Regional Health Center, LAC+USC Medical Center, Martin Luther King, Jr. Outpatient Center, Olive View-UCLA Medical Center, and the LAC+USC East San Gabriel Valley satellite location at MacLaren Children's Center (collectively known as "Medical Hub(s)"), enabling them to realize the operational efficiencies gained from using the System.

E-mHUB facilitates the Medical Hubs' coordination of medical services for children referred by the Department of Children and Family Services (DCFS), including initial medical examinations, forensic evaluations, mental health screenings, and ongoing medical care. E-mHUB allows end users to receive DCFS' electronic patient referrals; track patient and provider appointment schedules; capture patient medical and forensic information; obtain necessary medical information faster and more efficiently; generate electronic PDF versions of forms, reports, and examination results; provide notification of missed appointments; view a child's medical information from one Medical Hub to another Medical Hub, which enhances the child's treatment and improves continuity of care; allow Public Health nurses located at DCFS offices to view limited E-mHUB screens to obtain and input DCFS' case management system follow-up information to better coordinate the child's care; and ensure access to health information is in compliance with State and Federal confidentiality and privacy laws.

### **Recommendations**

Approval of the first recommendation will allow the Director to execute an amendment to extend the existing Agreement with Saga for uninterrupted operations and maintenance services and the ongoing provision of additional work for E-mHUB. The current Agreement expires March 30, 2016. These critical services will allow DHS to continue maintaining, supporting, and enhancing this custom-built system. In the absence of E-mHUB, the Medical Hubs would be forced to revert back to time-consuming and error-prone manual interventions such as redundant data entry, phone calls, and faxes. With respect to additional work, Saga continues to provide application enhancements based on the recommendations of an interdepartmental County workgroup that regularly convenes to develop and prioritize enhancements of E-mHUB to ensure that end users continue to leverage the latest available technology.

Approval of the second recommendation will allow the Director, or his designee, to amend the Agreement to perform administrative contractual changes as required by applicable law, and as required by the Board or Chief Executive Office (CEO), to implement modifications to the Agreement and statement of work (e.g., reduction of scope, addition and removal of Medical Hubs, etc.) in accordance with the Agreement's terms and conditions, and to approve an annual COLA to the Agreement's operations and maintenance fees, at the Director's discretion, in accordance with the Board Policy No. 5.070, Multi-Year Services Contract Cost of Living Adjustments. The second recommendation will also delegate authority to the Director or his designee to authorize actions related to automatic extensions, including the transmittal of written notice to Saga of the County's intent not to exercise the automatic extended terms as described in the Agreement.

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

The recommended action(s) support(s) Goal 1 – Operational Effectiveness/Fiscal Sustainability; Goal 2 – Community Support and Responsiveness; and Goal 3 – Integrated Services Delivery of the County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

The Contract Sum to Saga under the Agreement will be increased by \$1,903,386 from \$4,614,194 to \$6,517,580 for the Agreement period ending on March 31, 2019, and by an additional \$467,795.38 for each additional extended term, for a revised total maximum Contract Sum of \$7,453,170, for the Agreement period ending on March 31, 2021.

Funding is included in the Department's Fiscal Year (FY) 2015-16 Final Budget and will continuously be requested in future fiscal years, as needed.

The costs under this Amendment will cover ongoing maintenance services and additional work which will be funded through DHS' Cost-Based Reimbursement Clinic Medi-Cal Revenues for eligible costs and intra-fund transfer funds from DCFS.

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

The Board approved the Agreement with Saga on March 30, 2010 for an initial term through March 30, 2015, which allowed DHS to enhance the mHUB system, the immediate predecessor to the present-day E-mHUB System Extensive intradepartmental collaboration, involving multiple County departments, including DHS, DCFS, Department of Mental Health (DMH), and Department of Public Health (DPH), was devoted to develop, customize and enhance E-mHUB. E-mHUB is a custom-built proprietary software solution that has been exclusively developed for the County to coordinate the administration and care of DCFS-involved children. E-mHUB is hosted at the Internal

Services Department (ISD). DHS has exercised an optional year to extend the Agreement term through March 30, 2016.

During the Amendment review process, DHS consulted the CEO's Risk Management Branch to reassess the Agreement's insurance coverage requirements. The recommended Amendment includes standard technology errors and omissions coverage with a limit of \$2 million, which was deemed adequate since ISD hosts E-mHUB, not Saga.

The Agreement includes all Board of Supervisors required provisions, including the most recent provision – Time Off for Voting - and also includes the County's standard COLA provision. At the Director's discretion, a COLA may be granted annually to Saga for the System's operations and maintenance fees in accordance with Board Policy No. 5.070, Multi-Year Services Contract Cost of Living Adjustments. Saga held pricing firm for the entire six (6) year Agreement term and requested COLA language be included in the extension. The Agreement may be terminated for convenience by the County upon a thirty (30) days prior written notice.

County Counsel has approved the Amendment (Exhibit I) as to form. The Chief Information Officer concurs with the Department's recommendation and a CIO Analysis is not required since this Amendment is requesting an extension to the Agreement term to provide ongoing operations and maintenance services.

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

### **CONTRACTING PROCESS**

The E-mHUB emerged from the Board's May 2006 motion, which instructed the Chief Information Office, CEO, DHS, DCFS, DMH and County Counsel to explore the feasibility of implementing an enterprise-wide automated data solution for the County's Medical Hubs. The Board approved a Sole Source Agreement with Saga on March 30, 2010 to expand the m-HUB system at use at the LAC+USC Medical Center Medical Hub and implement the enhanced system, dubbed E-mHUB, as an enterprise-wide solution.

On September 28, 2015, the Department advised the Board of its intent to extend this Sole Source Agreement (Attachment A), in accordance with the revised Board Policy No. 5.100, Sole Source Contracts.

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

Approval of the recommendations will enable DHS to continue tracking the health and mental health status of this vulnerable patient population at the County Medical Hubs by means of the E-mHUB system, which improves coordination of quality medical care.

Respectfully submitted,

Reviewed by:

Mitchell H. Katz, M.D.  
Director

Richard Sanchez  
Chief Information Officer

MHK:jl

Enclosures (2)

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors  
Department of Children and Family Services  
Department of Mental Health  
Internal Services Department

February 9, 2016

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

Dear Supervisors:

**ADVANCE NOTIFICATION OF INTENT TO ENTER INTO NEGOTIATIONS FOR A  
RETROACTIVE SOLE SOURCE CONTRACT WITH PALANTIR TECHNOLOGIES,  
INC. TO PROVIDE SOFTWARE MAINTENANCE AND APPLICATION SUPPORT  
FOR THE JOINT REGIONAL INTELLIGENCE CENTER**

**SUBJECT**

This letter provides advance notification to the Board in accordance with Board Policy 5.100 that the Los Angeles County (County) Sheriff's Department (Department) intends to enter into negotiations for a retroactive Sole Source Contract (Contract) with Palantir Technologies, Inc. (Palantir) for continued software and application maintenance and support for Palantir's proprietary Gotham™ business intelligence software tools, and previously developed applications using such tools for the Joint Regional Intelligence Center (JRIC).

**PURPOSE**

The proposed Contract will provide for past and on-going software maintenance and support services for the existing proprietary Palantir Gotham software toolset used by JRIC, as well as maintenance and support for twenty nine (29) applications built by Palantir using such tools, including scripts, queries, interfaces, etc. The proposed term of the negotiated contract will be August 1, 2015, through May 31, 2017, plus a one-year extension option through May 31, 2018, plus a 12-month option term, in any increment, through May 31, 2019.

The Palantir toolset and the custom-built applications are essential in order to carry on the JRIC's vital information and intelligence sharing mission which supports both the Homeland Security Presidential Directive, as well as Presidential Policy Directive-8, both addressing National Preparedness.

## **BACKGROUND**

Law enforcement organizations store information in numerous databases with no way to access, search, and view their information in one place. Without the Palantir software and applications, officers would need to log in to several different databases to compile information on a single suspect, collect relevant data on a location of interest, or investigate a criminal case, and then access yet another system to manage their cases. To share findings with team members and commanders, officers would need to cut and paste text from one system to another or manually type out reports.

The Palantir toolset allows user collaboration supported by Palantir's powerful proprietary security model which allows agencies that use Palantir to seamlessly and securely share or exchange highly sensitive information. Analysts can share data and analysis results, as well as briefs that are finished or in progress, including their underlying data.

LASD is the Fiduciary authority for JRIC. The Los Angeles JRIC areas of responsibility include the counties of Los Angeles, Orange, Riverside, San Bernardino, San Luis Obispo, Santa Barbara, and Ventura. Responsibility for the overall policy and direction of JRIC shall rest with an Assistant Special Agent in Charge or Program Manager of the Federal Bureau of Investigation, who will closely coordinate with the Sheriff of Los Angeles County, the Chief of the Los Angeles Police Department, the United States Attorney for the Central District of California, and the Chief of the California Department of Justice Criminal Intelligence Bureau, or their designees, on matters of mutual concern relating to such policy and direction, thus ensuring the absence of conflict. It was the decision of the JRIC Board to use the Palantir toolset to achieve the goals of JRIC.

## **Prior Purchases**

In 2009, JRIC embarked upon a ten-month Sole Source pilot project with Palantir at a cost of \$250,000. The purpose of the project was to evaluate the Palantir informational toolset to potentially replace the intelligence tools that were in use at the time. The pilot, along with subsequent Sole Source purchases from Palantir, were approved and funded by grants from the homeland Security Grant program as distributed through the California Governor's Office of Emergency Services.

To date, the Department has purchased a total of 115 Palantir "Cores". The Palantir Core, best described by Palantir as an *all-inclusive pricing model*, includes hardware, software licenses (Gotham), integration services, and one year of maintenance and support services for the software and custom-built applications. The integration services component, known to the County as "consulting services", provides Palantir engineers to JRIC for the purpose of building and maintaining applications used by JRIC to fulfill its primary mission.

The purchases were accomplished exclusively through Sole Source purchase orders for what appeared to be "software" purchases and thus remained within the domain of the County's Purchasing Agent. The purchases also included zero-cost line items for hardware (servers) and for integration support (consulting).

On April 14, 2015, your Board directed the Auditor-Controller (A-C) to review the Department's Palantir purchases up to date. On August 28, 2015, the A-C issued its findings and recommendations addressing both the Department's procurement practices and the bundled pricing structure of Palantir's products.

During the same time period, the Department's former Homeland Security Division (known today as Special Operations Division) realized it had improperly tracked the expiration dates of prior purchases, but nonetheless permitted Palantir to continue providing software maintenance services to the JRIC through May 31, 2015, without a proper contract or purchasing document in place. According to JRIC, due to the mission-critical nature of the systems, system failure would risk public safety. For that reason, the Internal Services Department (ISD) issued a one-year retroactive Sole Source purchase order to the Department for continued maintenance of the expired Palantir Core software and applications. Included in that purchase order was a zero-cost line item for integration support. Considering the retroactive purchase order was issued near the end date of the one-year term (May 31, 2015), ISD also granted the Department a two-month follow-on purchase order to cover two months' maintenance toward the next years' maintenance cycle, through July 31, 2015.

Both ISD and the Chief Information Office (CIO) strongly advised the Department to use this opportunity to develop a pricing structure for future Palantir purchases, including maintenance, which breaks out costs for hardware support, Core software maintenance, application support, and consulting services, and develop purchase order requests or Board contracts for the commodities and/or services needed. ISD also directed the Department to stop receiving Palantir Core software and application maintenance services on August 1, 2015, if the new agreements were not in place. The Department did not stop receiving maintenance services as directed and did not develop the required maintenance agreements with Palantir.

At this date, ISD will not issue a second retroactive purchase order to Palantir for the period August 2015, through May 31, 2016, in the amount of \$2,029,000, for the cost of Core software and application maintenance during that period.

#### Proposed Contract

The scope of the proposed Contract is limited exclusively to maintenance of the Palantir Gotham toolset and 29 applications built to-date in furtherance of JRIC's mission. The Contract explicitly excludes consideration of any kind for new application development or enhancements to the existing 29 applications.

Due to public safety and security benefits offered by JRIC's use of the Palantir toolset, the Department with the concurrence of the CIO, will include a contingency fund to be used exclusively in emergent situations which may impact public safety; specifically, for any engineering, analytical, or demonstrable enhancements to the applications required to facilitate enhanced intelligence gathering. The use of such contingency funds will require approval of the Special Operations Division Chief, as well as review by and concurrence from the CIO and County Counsel.

#### Future Strategy for Maintenance and Consulting Services

To date, Palantir's business pricing model has included as a bundled package, Palantir toolset software, hardware, maintenance and support, and consulting services, all as part of the Core purchases.

The Department has developed an approach, in consultation with the CIO, to itemize any and all future products and services purchased by the County. Palantir has agreed to abide by this itemized approach for all future new development and/or application enhancements. This approach, as recommended in the Los Angeles County Auditor's report dated August 28, 2015, will better facilitate accountability for all commodities and services delivered in the future.

##### 1. Hardware

The JRIC has consistently represented, both to the Department's administration and other County staff that all hardware (computer servers) delivered by Palantir as part of the Core purchases was integral to, integrated with, and therefore specifically customized by Palantir to operate, the Gotham software environment. Further, it was represented that only Palantir could provide continuous sole source maintenance support of the hardware.

In late December 2015, the Department for the first time learned that all hardware delivered by Palantir to date is in fact comprised of standard, off-the-shelf, high-performance computer servers. Upon expiration of the warranties for these servers, Palantir confirmed that it would be the Department's responsibility

to maintain the servers. The Department will seek hardware maintenance from the ISD through existing master agreements established with the County for such services.

2. Palantir Toolset Software

Each of the 115 Cores were delivered to the Department with a license for Palantir's Gotham business intelligence software toolset. The Gotham toolset is proprietary to Palantir. The toolsets are used to develop highly specialized applications, including scripts, interfaces, queries, and algorithms, among other things, intended for use by JRIC. Palantir has agreed to provide per license pricing for ongoing future maintenance.

3. Palantir Toolset Software, Additional Purchases

The Department has requested that Palantir provide quantifiable metrics to justify all future JRIC requests for licenses of Gotham software beyond those currently maintained under item number 2 above. The justification and metrics will be reviewed by the CIO prior to acquisition of such licenses. As of this writing, Palantir has not provided the required metrics.

4. Custom Application Development, Consulting Services

All future JRIC requests for consulting services for the purpose of creating new "applications" or enhancing current applications will be executed in accordance with customary, approved contracting practices. Each JRIC-specific Sole Source application development or enhancement request will require a detailed description and justification, followed by review by and concurrence from the CIO and County Counsel. Requests to develop applications which do not fall under the JRIC mission to provide intelligence analysis services will be released under a competitive solicitation. As required for all County information technology agreements, any future contract of this nature will require the review and approval of the CIO and County Counsel.

5. System Performance and Architectural Review

The Department in collaboration with the CIO may seek to obtain the services of an independent consulting firm to undertake a review of the implemented Palantir architecture to date, establish baseline performance standards, and advise the Department on fiscally prudent methods for maintaining system performance into the future.

**FISCAL IMPACT/FINANCING (SUBJECT TO CHANGE BASED ON PRICE BREAKOUT)**

The cost for retroactive software maintenance for the period August 1, 2015, through May 31, 2016, amounting to \$2,027,096, will be 100% subvented with funds from the

2013/14 Urban Area Security Initiative (UASI) grant funds administered by the City of Los Angeles.

The Department has confirmed that the City of Los Angeles is in receipt of the 2015 UASI grant from the State of California. Upon receipt of sub-recipient funding from the City of Los Angeles, it is anticipated that the cost for continuing maintenance through May 31, 2017, in the amount of \$2,500,000 will be 100% subvented with funds from the 2015 UASI grant funds.

Subsequent option term pricing will be negotiated by the parties, commencing on March 8, 2016.

### **SOLE SOURCE JUSTIFICATION**

Palantir uniquely allows network-wide collaboration supported by Palantir's powerful security model, analysts can share data, analyze products and briefs that are finished or in progress including the underlying data, be alerted as other analysts add to relevant knowledge, discover subject matter experts, discover analysts working on the same information or targets, and discover the analysts contributing to a body of knowledge or intelligence product. Because of this security model, agencies that use Palantir can seamlessly and securely share/exchange information.

The proposed Palantir maintenance Contract will leverage the significant cost and engineering efforts to build the existing Palantir infrastructure. The system is also unmatched in access speed, data visualization, and substantial analytic tools that are not available in any other software toolset.

The Gotham software toolset is proprietary to Palantir. Palantir does not train, certify, license, or otherwise endorse any third party to provide support, maintenance, and/or upgrade services to the toolset.

The CIO has reviewed this Board notification and concurs with both the Sole Source justification and technology approach.

### **CONCLUSION**

The Department, jointly with the Board, will request the Auditor-Controller to review what occurred to create the need for the current retroactive purchase and assist us in determining how we can avoid reoccurrence in the future. In addition, in accordance with the Board's policy regarding retroactive purchases, the Department will make a

The Honorable Board of Supervisors  
February 9, 2016  
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presentation in the near future to the Retroactive Contract Review Committee for disposition and approval of corrective actions.

Pursuant to Board policy, the Department will proceed with Sole Source negotiations in four weeks, unless otherwise instructed by the Board.

Should you have any questions, please contact Contracts Manager Angelo Faiella, Contacts Unit, at (213) 229-3259.

Sincerely,

JIM McDONNELL  
Sheriff

JM:AF:sk  
(Fiscal Administration-Contracts Unit)

- c: Board of Supervisors, Justice Deputies
- Patrick Ogawa, Acting Executive Officer, Board of Supervisors
- Sachi A. Hamai, Chief Executive Officer
- Sheila Williams, Senior Manager, Chief Executive Office (CEO)
- Jocelyn Ventilacion, Lead Analyst, CEO
- Aileen Yu, Senior Analyst, CEO
- Mary C. Wickham, County Counsel
- Michele Jackson, Principal Deputy County Counsel
- Elizabeth D. Miller, Chief Legal Advisor, Legal Advisory Unit
- Neal B. Tyler, Executive Officer
- Richard J. Barrantes, Assistant Sheriff
- Terri McDonald, Assistant Sheriff
- Todd S. Rogers, Assistant Sheriff
- Thomas P. Angel, Chief of Staff, Office of the Sheriff
- Glen Dragovich, Division Director, Administrative Services Division (ASD)
- Scott Edson, Chief, Special Operations Division
- Georgia Mattera, Division Director, Office of the Sheriff
- Conrad Meredith, Assistant Division Director, ASD
- Glen Joe, Director, Fiscal Administration
- Susie Cousins, Assistant Director, Fiscal Administration, Contracts Unit
- Angelo Faiella, Manager, Contracts Unit
- Bryan C. Aguilera, Sergeant, ASD
- Samuel J. Gomez, Deputy, ASD
- Stacey Kirk, Contract Analyst, Contracts Unit
- Chrono File



# 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

**DRAFT**

March 8, 2016

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

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

Dear Supervisors:

**APPROVAL OF REVISED BOARD POLICY NUMBER 8.020 – PROCEDURES FOR  
INCLUDING CORRECTIVE FOLLOW-UP REPORTS AS PART OF THE CLAIMS  
SETTLEMENTS PRESENTED TO THE BOARD  
(ALL DISTRICTS) (3 VOTES)**

**SUBJECT**

The Chief Executive Office (CEO) seeks the Board's approval for revisions made to Board Policy 8.020: Procedures for Including Corrective Follow-Up Reports as Part of the Claims Settlements Presented to the Board.

**IT IS RECOMMENDED THAT THE BOARD:**

Approve the attached Board of Supervisors Policy Number 8.020, Procedures for Including Corrective Follow-up Reports as Part of the Claims Settlements Presented to the Board (Policy), revised to include modification of the current process for all departments to prepare Corrective Action Plans (CAPs) and Summary Corrective Action Plans (SCAPs) for all proposed tort or tort-like liability settlements.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The revised Policy was approved by the Audit Committee on December 17, 2015, and language was deleted, added, or modified to accomplish the following:

- All departments must prepare a CAP and a SCAP for all proposed tort or tort-like liability settlements in excess of \$100,000 that are presented to the Claims Board or Board of Supervisors, or if required by the Chief Executive Office (CEO).

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

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

- As directed by the CEO, all departments should submit a draft CAP and SCAP to the CEO's Risk Management Inspector General (RMIG) within 30 business days from County Counsel's notification of settlement, respond to questions from RMIG, and finalize the CAP and SCAP within 90 business days of the notification.
- Because County Counsel is involved in the settlement process and the review of CAPs in order to provide legal assistance to the Board of Supervisors, Board Deputies, or departments, the CAP should be marked confidential and not disclosed.

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

Approval of the revised Policy supports the County's Strategic Plan Goal One, Operational Effectiveness/Fiscal Sustainability, by providing Countywide CAP and SCAP timelines, implementing a settlement threshold, and requiring CAPs to be marked confidential which will improve the effectiveness of Countywide liability loss control efforts and fiscal responsibility.

### **FISCAL IMPACT/FINANCING**

No fiscal impact.

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

Currently, there are no timeline requirements for completion of CAPs and SCAPs other than they need to be formalized for claim presentation. Therefore, absent any timeline requirements departments become overwhelmed and must prioritize which CAPs and SCAPs will be completed first.

Implementing the revised Policy will mandate settlement thresholds, institute specific timelines, and define CAP confidentiality which will have a positive impact on both the corrective actions and settlements. The changes will be effective upon the Board's approval.

County Counsel reviewed the revised Policy and concurs with these changes.

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

No negative impact on services (or projects) is foreseen.

The Honorable Board of Supervisors  
March 8, 2016  
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***DRAFT***

**CONCLUSION**

Upon Board approval, please return two adopted stamped copies of the Board letter to Steven T. Robles, Assistant Chief Executive Officer/County Risk Manager.

Respectfully submitted,

SACHI A. HAMAI  
Chief Executive Officer

SAH:JJ  
STR:RLC:DC:sg

Enclosure

c: Acting Executive Officer, Board of Supervisors  
Auditor-Controller  
County Counsel



*Los Angeles County*  
**BOARD OF SUPERVISORS POLICY MANUAL**

Policy #:	Title:	Effective Date:
8.020	Procedures For Including Corrective Follow-Up Reports As Part of The Claims Settlements Presented To The Board	12/10/96

### PURPOSE

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Establishes a requirement for corrective action follow-up reports as part of the claims settlement letter forwarded to the Board of Supervisors.

### REFERENCE

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December 10, 1996 Board Order, Synopsis 48

[April 29, 2015 Chief Executive Office Memo, "Modification of Current Process for Corrective Action Plans and Summary Corrective Action Plans"](#)

[October 1, 2015 Chief Executive Office Memo, "Corrective Action Plans and Summary Corrective Action Plans for Tort-Like Settlements"](#)

### POLICY

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~~All department heads must include a proposed corrective action follow-up report as part of any claims settlement letter forwarded to the Board.~~

All departments must prepare a corrective action plan (CAP) and a summary corrective action plan (SCAP) for all proposed tort or tort-like liability settlements in excess of \$100,000 that are presented to the Claims Board or Board of Supervisors, or if required by the Chief Executive Office (CEO).

As directed by the CEO, all departments should submit a draft CAP and SCAP to the CEO's Risk Management Inspector General (RMIG) within 30 business days from County Counsel's notification of settlement, respond to questions from RMIG, and finalize the CAP and SCAP within 90 business days of the notification.

Because County Counsel is involved in the settlement process and the review of CAPs in order to provide legal assistance to departments, the Board of Supervisors, or Board Deputies, the CAP should be marked confidential and not disclosed.

**RESPONSIBLE DEPARTMENT**

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Auditor-Controller

Chief Executive Office

County Counsel

**DATE ISSUED/SUNSET DATE**

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**Issue Date: December 10, 1996**  
**Review Date: November 20, 2003**  
**Review Date: July 16, 2009**  
**Review Date: September 15, 2011**  
**Review Date: November 16, 2015**

**Sunset Review Date: December 10, 2003**  
**Sunset Review Date: December 10, 2007**  
**Sunset Review Date: December 10, 2011**  
**Sunset Review Date: December 10, 2015**  
**Sunset Review Date: December 10, 2020**



COUNTY OF LOS ANGELES  
OFFICE OF THE COUNTY COUNSEL

648 KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET  
LOS ANGELES, CALIFORNIA 90012-2713

TELEPHONE  
(213) 893-7230  
FACSIMILE  
(213) 617-7182  
TDD  
(213) 633-0901

MARY C. WICKHAM  
County Counsel

February 4, 2016

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

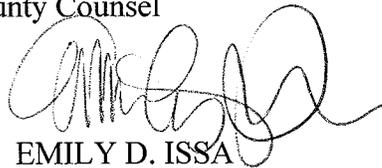
**Re: Ordinance Amending Title 2 – Administration and Title 8 –  
Consumer Protection, Business and Wage Regulations of the  
Los Angeles County Code**

Dear Supervisors:

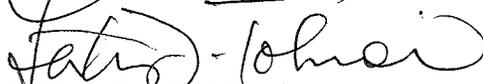
Pursuant to your Board's December 15, 2015 motion, enclosed please find for your consideration, the analysis and ordinance amending Section 2.68.160 to include the Director of the Department of Consumer and Business Affairs as a member of the Emergency Management Council and adding Chapter 8.09, relating to the overpricing of vital and necessary goods and services following the proclamation of a state of emergency or the declaration of a local emergency.

Very truly yours,

MARY C. WICKHAM  
County Counsel

By   
EMILY D. ISSA  
Deputy County Counsel

APPROVED AND RELEASED:

  
DESTER J. TOLNAI  
Acting Chief Deputy

EDI:do

Enclosures

c: Sachi A. Hamai, Chief Executive Officer  
Patrick Ogawa, Acting Executive Officer, Board of Supervisors

## ANALYSIS

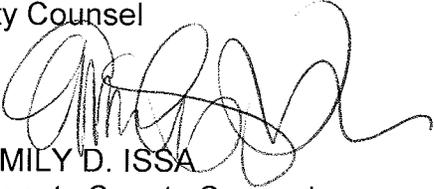
This ordinance amends Title 2 – Administration and Title 8 – Consumer Protection, Business and Wage Regulations, of the Los Angeles County Code by:

- Amending Section 2.68.160 to include the Director of the Department of Consumer and Business Affairs as a member of the Emergency Management Council; and
- Adding Chapter 8.09 relating to the overpricing of vital and necessary goods and services following the proclamation of a state of emergency or the declaration of a local emergency.

Very truly yours,

MARY C. WICKHAM  
County Counsel

By

  
EMILY D. ISSA  
Deputy County Counsel  
Government Services Division

EDI:do

Requested: 12/15/2015  
Revised: 01/28/2016

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Title 2 – Administration of the Los Angeles County Code, relating to membership of the Emergency Management Council, and Title 8 – Consumer Protection, Business and Wage Regulations relating to the overpricing of vital and necessary goods and services following the proclamation of a state of emergency or the declaration of a local emergency.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Section 2.68.060 is hereby amended to read as follows:

**2.68.160 - Created—Membership.**

The eCounty of Los Angeles eEmergency mManagement eCouncil is created and will consist of the following:

- A. The eChief ~~administrative~~Executive eOfficer, who shall be chair;
- B. The sSheriff, who shall be vice-chair;
- C. The fFire eChief;
- D. The dDirector, dDepartment of pPublic wWorks;
- E. The dDirector, dDepartment of hHealth sServices;
- F. The dDirector, iInternal sServices dDepartment;
- G. The dDirector, dDepartment of pPublic sSocial sServices;
- H. The eChief mMedical eExaminer-eCoroner, dDepartment of the eCoroner;
- I. The dDirector, dDepartment of mMental hHealth;
- J. The eCounty sSuperintendent of sSchools, who shall be an ex officio

member and without vote;

K. The eCounty eCounsel, who shall be an ex officio member and without vote;

L. The eChief pProbation eOfficer, who shall be an ex officio member and without vote;

M. The dDirector, dDepartment of eChildren and fFamily sServices, who shall be an ex officio member and without vote;

N. The aAdministrator, eChief administrativeExecutive eOffice/eOffice of eEmergency mManagement, who shall be an ex officio member and without vote;

O. The dDirector, eChief administrativeExecutive eOffice/eOffice of pPublic aAffairs, who shall be an ex officio member and without vote;

P. ~~One member to be nominated by the Los Angeles Chapter of the American Red Cross and appointed by the board, who shall be an ex officio member and without vote~~The Director, Department of Consumer and Business Affairs, who shall be an ex officio member and without vote;

Q. ~~Such other ex officio nonvoting members appointed by the chair of the council, as appropriate~~One member to be nominated by the Los Angeles Chapter of the American Red Cross and appointed by the Board, who shall be an ex officio member and without vote;

R. Such other ex officio nonvoting members appointed by the chair of the Council, as appropriate.

**SECTION 2.** Chapter 8.09 is hereby added to read as follows:

**Chapter 8.09      Overpricing of Goods and Services Following the  
Proclamation of a State of Emergency or the Declaration of a Local Emergency.**

**8.09.010      Findings.**

**8.09.020      Authority.**

**8.09.030      Definitions.**

**8.09.040      Overpricing Following the Proclamation or Declaration of an  
Emergency Prohibited.**

**8.09.050      Reporting.**

**8.09.060      Penalties and Enforcement.**

**8.09.010      Findings.**

The Board of Supervisors finds that in emergencies and major natural or manmade disasters including, but not limited to, earthquakes, floods, fires, storms or civil disturbances, there may be a temporary spike in demand for food, repair or reconstruction services, emergency or medical supplies, hotels, motels, housing, or gasoline. Under such circumstances, there is a heightened risk to consumers that prices for goods and services that are vital and necessary for their health, safety, and welfare may be significantly increased. Therefore, the County of Los Angeles has an interest in ensuring that County residents are protected against overpricing of vital and necessary goods and services during a state of emergency as proclaimed by the President of the United States or the Governor of California, or during a local emergency as declared pursuant to law.

**8.09.020 Authority.**

Pursuant to California Penal Code section 396 (i), the County is authorized to enact local legislation prohibiting the overpricing of vital and necessary goods and services following the proclamation of a state of emergency or the declaration of a local emergency and impose penalties. This Chapter does not apply where prohibited or preempted by federal or State law.

**8.09.030 Definitions.**

Unless otherwise provided below, the definitions provided by California Penal Code section 396 shall apply:

A. "State of emergency" means a natural or manmade disaster or emergency resulting from an earthquake, flood, fire, riot, or storm for which a state of emergency has been proclaimed by the President of the United States or the Governor of California.

B. "Local emergency" means a natural or manmade disaster or emergency resulting from an earthquake, flood, fire, riot, or storm for which a local emergency has been declared pursuant to California Government Code section 8630 and County Code Section 2.68.110.

C. "Vital and necessary" means required to sustain the health, safety, and welfare of a person or animal.

**8.09.040 Overpricing Following the Proclamation or Declaration of an  
Emergency Prohibited.**

A. Upon the proclamation of a state of emergency resulting from an earthquake, flood, fire, riot, storm, or other natural or manmade disaster proclaimed by the President of the United States or the Governor of California, or upon the declaration of a local emergency resulting from an earthquake, flood, fire, riot, storm, or other natural or manmade disaster declared pursuant to California Government Code section 8630 and Los Angeles County Code Section 2.68.110, the following shall be unlawful:

1. Goods and Services. For a period of 30 days following that proclamation or declaration, it is unlawful for a person, contractor, business, or other entity to sell or offer to sell any vital and necessary consumer food items or goods, goods or services used for emergency cleanup, emergency supplies, medical supplies, home heating oil, building materials, housing, transportation, freight, and storage services, or gasoline or other motor fuels for a price of more than 10 percent above the price charged by that person for those goods or services immediately prior to the proclamation or declaration of emergency, subject to the conditions set forth in subsection (C) of this Section.

2. Construction Goods and Services. For a period of 180 days following that proclamation or declaration, it is unlawful for a contractor to sell or offer to sell any vital and necessary repair or reconstruction services or any services used in

emergency cleanup for a price of more than 10 percent above the price charged by that person for those services immediately prior to the proclamation or declaration of emergency, subject to the conditions set forth in subsection (C) of this Section.

3. Hotels and Motels. For a period of 30 days following that proclamation or declaration, it is unlawful for an owner or operator of a hotel or motel to increase the hotel's or motel's regular rates, as advertised immediately prior to the proclamation or declaration of emergency, by more than 10 percent, subject to the conditions set forth in subsection (C) of this Section.

B. A business offering an item for sale at a reduced price immediately prior to the proclamation or declaration of the emergency may use the price at which it usually sells the item to calculate the price pursuant to subsections (A)(1) or (A)(2) of this Section.

C. For the pricing of goods and services, construction goods and services, and hotel and motel rates described in subsections (A)(1), (A)(2), and (A)(3) of this Section, a greater price increase is not unlawful if the person, contractor, business, owner, operator or other entity selling the goods or services can prove that the increase in price was directly attributable to additional costs imposed on it by the supplier of the goods, or directly attributable to additional costs for labor, goods or materials used to provide the services, provided that in those situations where the increase in price is attributable to the additional costs imposed by the seller's or contractor's supplier or additional costs of providing the goods or services during the state of emergency, the

price represents no more than 10 percent above the total of the cost to the seller or contractor plus the markup customarily applied by the seller or contractor for that good or service in the usual course of business immediately prior to the onset of the state of emergency. In addition, a greater price increase is not unlawful if an owner or operator of a hotel or motel can prove that the increase in price is due to seasonal adjustments in rates that are regularly scheduled, or to previously contracted rates.

D. The provisions of this Section may be extended pursuant to California Penal Code section 396 (e) for additional 30-day periods by the Board of Supervisors or the California Legislature, if deemed necessary to protect the lives, property, or welfare of the citizens.

**8.09.050 Reporting.**

Any person believing that a violation of this Chapter has been committed may file a complaint with the Department of Consumer and Business Affairs, who shall forward the complaint to the District Attorney for prosecution when the Department of Consumer and Business Affairs has evidence of a violation of this Chapter.

**8.09.060 Penalties and Enforcement.**

A. Any person who shall be convicted of violating the provisions of this Chapter shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than \$1,000 or by imprisonment in the County jail for not more than six months, or by both such fine and imprisonment.

B. A violation of this Chapter is a violation of California Penal Code section 396, and shall constitute an unlawful business practice and an act of unfair competition within the meaning of section 17200 of the California Business and Professions Code. The remedies and penalties provided by this Section are cumulative with the remedies and penalties under section 396 of the California Penal Code, section 17200 of the California Business and Professions Code, and the remedies and penalties available under all other laws of this State.

C. The Department of Consumer and Business Affairs shall be responsible for the administration of this Chapter, including, but not limited to, public education and outreach, and investigation of complaints that a person has violated any provision of this Chapter. Additionally, the Department of Consumer and Business Affairs shall be designated as the enforcement officer, as defined in subsection B of Section 1.25.020 of the County Code, responsible for final determination and imposition of administrative fines to be issued and for appearances before the administrative hearing officer as provided for in Chapter 1.25 of the County Code. The Department of Consumer and Business Affairs shall also recommend rules governing this Chapter. Such rules shall be presented to the Board of Supervisors and shall become effective when approved by a majority vote of the Board.

D. The District Attorney shall be the enforcement officer responsible for prosecution of criminal charges pursuant to California Penal Code section 396.

E. The District Attorney, or the County Counsel with agreement of the District Attorney, may bring a civil action pursuant to California Business and Professions Code section 17206 to enforce this Chapter.

[CH809EICC]



# DHR IT Roadmap



Fiscal Years

2015-16, 2016-17, 2017-18, 2018-19

# DHR IT Roadmap



## Overview

DHR IT has undertaken a strategic review of all information technology needs and systems.

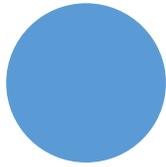
The outcome is a business service mapping with technology capabilities.

A strategic roadmap was developed to mitigate existing gaps and address upcoming key business needs.

The IT roadmap is designed to serve as a guide for technology projects and initiatives for the next three years.

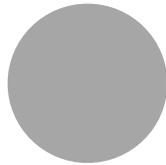


# The Business of DHR



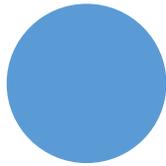
## Examinations and Testing

Exam Planning, Test Review, Test Processing and Analysis, Certification List Management, Exam Plan Review, Test Research, Development and Validation



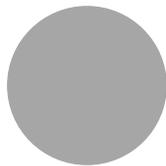
## Employee Benefits

Deferred Income Plans, Insurance Operations, Health Plan Analysis, Wellness Program, Unemployment Insurance, Commuter Benefit Plan, FMLA



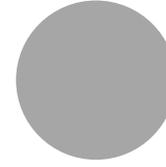
## Workforce Development

Leadership Development Institute, Apprenticeship Program, Equal Employment Opportunity Program, Long Term Leave Program, Succession Planning



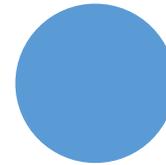
## Recruitment

Executive Recruitment, MAPP Administration, Public Inquiries, Academic Interns, Veterans Internship Program, Communications/Marketing



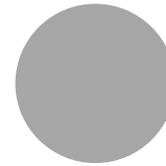
## Audit & Compliance

HR Audits, Monitoring of Temporary Contracts, Live Scan, Outside Employment, Court Records Program, Public Employee Pension Reform Act



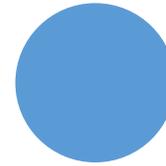
## Advocacy and Mediation

Department Representation before Civil Service Commission, Discipline Consultation, Mediation Services



## Policy & Appeals

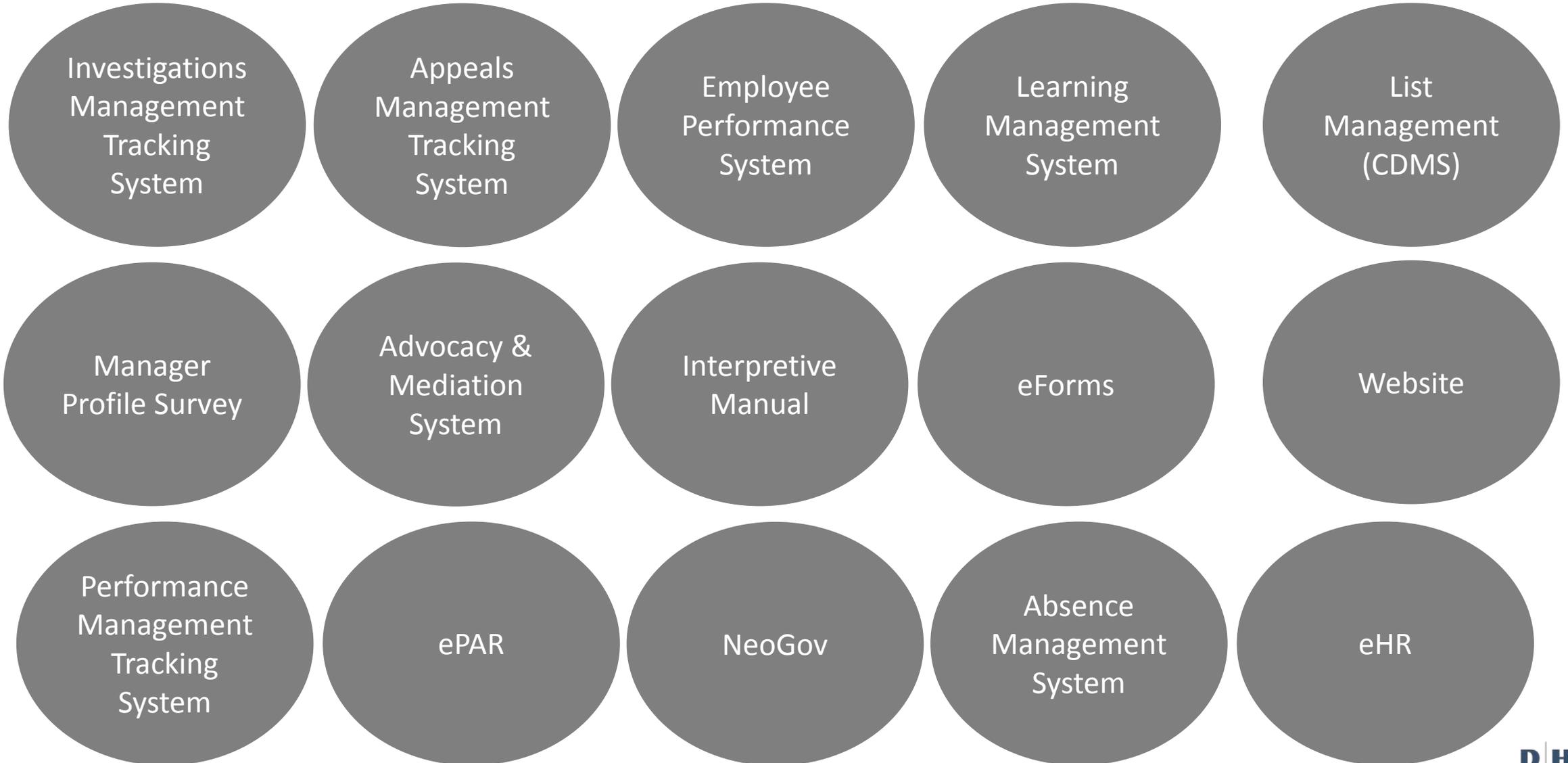
Disciplinary Appeals, HR Policies, Interpretive Manual, HR Operations Support, Shared Services, E-Verify, Civil Service Commission Policy Liaison



## Investigations

Equity Investigations, Personnel Investigations

# DHR Information Technology: Current State

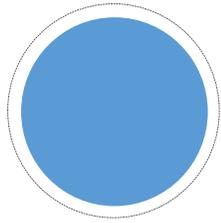


# DHR Information Technology: Future State



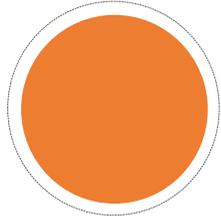
eHR	Absence Management System	NeoGov	ePAR	Performance Management Tracking System
eForms 2.0	NeoGov 2.0	Business Intelligence 1.0 <sup>*new</sup>	New Website <sup>*new</sup>	Talent Management Platform (LMS/EPS/Succession) <sup>*new</sup>
Investigations Tracking Management System 2.0 <sup>*new</sup>	Appeals Management Tracking System 2.0 <sup>*new</sup>	Advocacy & Mediation System 2.0 <sup>*new</sup>	Personnel Investigations System 1.0 <sup>*new</sup>	HR Audit Management System 1.0 <sup>*new</sup>
ePersonnel 1.0 <sup>*new</sup>	Temp Worker Registry System <sup>*new</sup>	Intranet 2.0 <sup>*new</sup>	ADA Compliance <sup>*new</sup>	Interpretive Manual 2.0 <sup>*new</sup>

# DHR IT Roadmap Initiatives



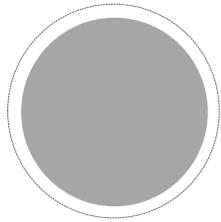
## **Business Intelligence**

HR Business Intelligence will allow DHR to access all data stored in business applications and analyze it for improving key HR outcomes such as better candidate selection, predicting workforce needs, enable better remuneration, spot troublesome trends, predict leave trends and much more.



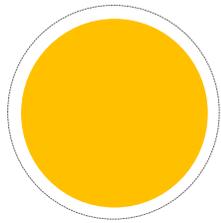
## **Investigations Platform**

Establishing a County wide investigations platform for all personnel related investigations , appeals and mediation will drive consistency in business process and ensure compliance with security and retention requirements. It will further enable automation of complex business processes and eliminate non value added activities. The efficiencies gained will allow for improved process quality and execution. By leveraging HR analytics DHR will be able to predict key trends and shift resources accordingly.



## **Talent Management Platform**

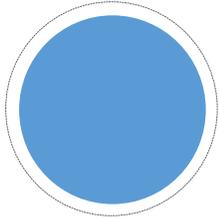
DHR plans to meet increasing demand for human capital in an evolving labor market nationally and locally in LA County. A talent management platform that combines competency management, learning and development, performance management, career and succession planning will bridge the existing gap in HR information systems in the County.



## **ePersonnel ECM**

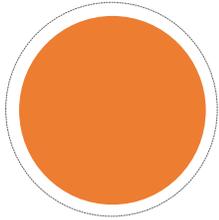
Digitization and unified content management of all personnel files in a centralized system of record is critical to ensure confidentiality, compliance and security. DHR in collaboration with other central departments will implement a governance model and establish the platforms necessary to allow all departments to adopt electronic personnel files.

# DHR IT Roadmap Initiatives



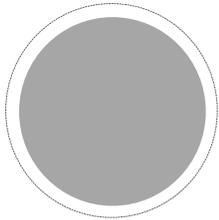
## **Interpretive Manual**

The interpretive manual is a key knowledge source for employees and management alike. It is critical to transform it into a dynamic, easy to use and intuitive search based web application. It will allow for natural language searching, topical browsing and mobile accessibility for employees and management alike.



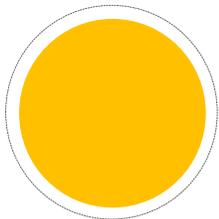
## **Temp Worker Registry Application**

DHR in collaboration with CEO and other departments is developing a Temp Worker Registry Program. This is a result of a board motion. The program needs an electronic system to enable staff to manage a roster of qualified candidates, track demographic, skill set and source program information.



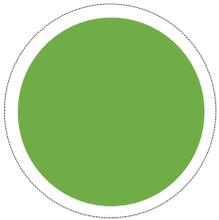
## **ADA Compliance**

DHR website and other end user facing applications need to be audited and remediated to ensure compliance with ADA objectives.



## **Manager Profile Survey 2.0**

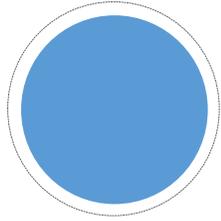
Centralized business process authority and identity management system enabling all enterprise applications. Current MPS version lacks many user friendly and enterprise application integration features. The new application will serve as a central hub for role authentication for all enterprise applications.



## **eForms 2.0**

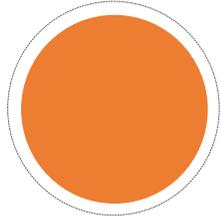
Human Resource transactional forms need to be digitized and managed centrally on the County standard platform.

# DHR IT Roadmap Initiatives



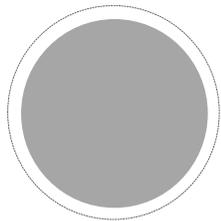
## **DHR Knowledgebase**

An electronic knowledgebase to house all line of business information, content, contact information, standard operating procedures, best practice guides needs to be implemented. This system will allow DHR to have a single system of information accessible throughout the county.



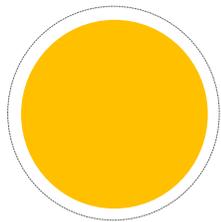
## **Intranet 2.0**

Existing DHR intranet for all County departments needs a fresh approach to provide interactive resources, e-service delivery and information portal.



## **New Website**

A new website is required to leverage latest content publishing capabilities, integrations with social and recruiting platforms and provide native mobility. A branding refresh will enhance DHR's outreach as the County's recruitment and career hub.



## **NeoGov 2.0**

Second phase in NeoGov implementation to implement County specific list management capabilities.

# IT Roadmap: Implementation Timeline



Project	FY 2015-16				FY 2016-17				FY 2017-18				
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	
e-HR Upgrade		Phase 5											
NeoGov	Phase 1.5				Phase 2								
ePAR 2.0 & Reports	Phase 2												
Business Intelligence	Phase 1				Phase 2				Phase 3				
DHR Collaboration Project 1.0					Phase 1								
Website Refresh	Phase 3												
PMTS Migration & Reports	Phase 2												
LMS Upgrade	Phase 3												
Help Desk	Concurrent Development												
ePersonnel ECM	Phase 1				Phase 2								
MAPP	Phase 2												
Mediation Module	Phase 1				Phase 1				Phase 2				
Personnel Investigations					Concurrent Development								
Equity Investigations					Phase 1				Phase 2				
Appeals Investigations					Concurrent Development								
Audit Management	Phase 1					Concurrent Development							
MPS Upgrade									Concurrent Development				
HR Knowledge Base					Concurrent Development								
ADA Compliance									Phase 1				
Talent Management Platform									Phase 1				