



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

SACHI A. HAMAI  
Interim Chief Executive Officer

**DATE:** April 16, 2015  
**TIME:** 1:00 p.m.  
**LOCATION:** Kenneth Hahn Hall of Administration, Room 830

**AGENDA**

Members of the Public may address the Operations Cluster on any agenda item by submitting a written request prior to the meeting.  
Three (3) minutes are allowed for each item.

1. Call to order – Gevork Simdjian
  - A) **Credit Card Surcharge on Property Tax Payments Presentation**  
Treasurer and Tax Collector – Joseph Kelly or designee
  - B) **Board Letter – RR/CC APPROVAL OF AMENDMENT WITH DATA INFORMATION MANAGEMENT SYSTEMS, LLC FOR VOTER INFORMATION MANAGEMENT SYSTEM MAINTENANCE & SUPPORT SERVICES**  
Dean Logan or designee
  - C) **Board Letter – DCBA AUTHORIZATION FOR THE DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS TO SIGN AND EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE LEGAL AID SOCIETY OF ORANGE COUNTY TO ENHANCE DEBT COLLECTION WORKSHOP OPERATIONS** Brian Stiger or designee
  - D) **Board Letter– CEO AMENDMENT TO WORKERS’ COMPENSATION CLAIMS ADMINISTRATION CONTRACT FOR SYSTEM SOFTWARE MAINTENANCE AND APPLICATION HOSTING SERVICES WITH P&C CLAIMS, INC.**  
Steve Robles or designee
  - E) **Board Letter – ASSESSOR – HOA GENERAL IMPROVEMENT PROJECT CAPITAL PROJECT NO. 87271**  
Tom Tindall or designee
  - F) **Interim Water Conservation Status**  
ISD – Dave Chittenden or designee

2. Public Comment
3. Adjournment



Dean C. Logan  
Registrar-Recorder/County Clerk

May 5, 2015

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

Dear Supervisors:

**REQUEST APPROVAL OF AMENDMENT NUMBER EIGHT TO  
AGREEMENT NUMBER 76010 WITH  
DATA INFORMATION MANAGEMENT SYSTEMS, LLC FOR  
VOTER INFORMATION MANAGEMENT  
SYSTEM MAINTENANCE & SUPPORT SERVICES  
(ALL DISTRICTS) (3 VOTES)**

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

**SUBJECT:**

Request Board approval to execute Amendment Number Eight to Agreement Number 76010 (Agreement) with Data Information Management Systems, LLC (DIMS) for Voter Information Management System (VIMS) Maintenance and Support Services, which will expire on May 9, 2015, for an additional three years through May 9, 2018, with six month-to-month optional renewals.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Authorize the Registrar-Recorder/County Clerk (RR/CC), or designee, to execute Amendment Number Eight to Agreement Number 76010 with DIMS to extend maintenance and support services for VIMS for an additional three (3) years commencing on May 10, 2015 through May 9, 2018, with six month-to-month options to extend, at the discretion of the RR/CC, or designee, and after concurrence from County Counsel.
2. Authorize the RR/CC to increase the Contract Sum under the Agreement by \$2,122,750, for a total Contract Sum of \$6,509,873 for the entire Agreement Term.

3. Delegate authority to the RR/CC, or designee, to terminate the Agreement for convenience.

**PURPOSE / JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of the recommended action is to ensure for continued maintenance and support of VIMS, developed by DIMS pursuant to a 1998 Agreement with the County of Los Angeles (County) to replace a system then maintained by ISD. RR\CC utilizes VIMS to maintain the County's official voter registration database and support election operations. Several critical systems tightly integrated with VIMS have been identified (Attachment A) to describe the integral functions they deliver, including automation of candidate filing, election contest definition, ballot layout and design, precinct-street-district GIS operations, election material tracking, online web election services, and pollworker training with VIMS. Under the Agreement, DIMS continues to provide maintenance and support to modify VIMS in response to changes in voter registration and election laws, as well as meet internal RR\CC processing needs. DIMS is the only company qualified to make modifications to VIMS, including implementation of mandated interfaces.

The Amendment to extend the term is necessary to comply with the Secretary of State (SOS) requirements to fully integrate VIMS with the official statewide voter registration system (VoteCal) and not affect the current cost structure. To comply with the Help America Vote Act (HAVA) of 2002, the SOS is in the process of developing and implementing the VoteCal system to create a single, uniform, centralized, computerized statewide voter registration list and to define, maintain, and administer this list at the State level. VoteCal will become the statewide system of record and all 58 county election offices are mandated to connect their existing local voter registration and election management system to VoteCal. VIMS is one of three systems in the State that has been selected to interface with VoteCal. Selecting a new vendor at this juncture will pose a major risk to the upcoming 2016 Presidential Election and incur substantial conversion and implementation costs relative to the continued use of VIMS. After the Presidential Election, RR/CC will start researching the feasibility and viability of replacing VIMS with an alternate solution that's capable of meeting RR/CC's technological and operational requirements. The replacement option may include upgrading VIMS to the most current technological platform. The County is scheduled to join VoteCal in December 2015 with the whole State going live by June 2016.

This extension is critical for the completion of the 2016 election cycle and the processing of the solicitation to establish a new contract.

**Implementation of Strategic Plan Goals:**

This request supports the County Strategic Plan as follows:

**Goal No. 1, Operational Effectiveness:** Ensure that service delivery systems are efficient, effective, and goal-oriented. The services provided under the Agreement will ensure optimal performance of the County's VIMS and thus ensure critical information is ready and available to conduct Federal, State, and local elections.

**FISCAL IMPACT / FINANCING:**

Funding for the recommended three (3) year extension and six (6) month-to-month term for continued maintenance and support services for VIMS will increase the contract amount by \$2,122,750 for a total Contract Sum of \$6,509,873.

The recommended increase includes:

- \$1,555,750 - Maintenance and Support Services;
- \$525,000 - Custom Programming/Other Professional Services to provide for any system enhancements legally mandated by HAVA and/or California law, regulation, or statute; and
- \$42,000 - Training Services.

Funding in the amount of \$575,000 has been allocated in the FY 2015-2016 budget, with funding to be included in subsequent fiscal years' budgets. This contract will be funded with Net County Cost.

**FACTS AND PROVISIONS / LEGAL REQUIREMENTS:**

RR/CC is responsible for the registration of voters, maintenance of the voter, precincting, absentee voting, petitions, precinct officers, and polling location files, and the conduct of Federal, State, and special elections that affect the County as a whole.

On February 10, 1998, your Board adopted a five (5) year contract with three (3) one-year extension options with DIMS for VIMS. That contract was negotiated through a competitive bidding and evaluation process. VIMS replaced the voter registration and election management system designed and developed in 1976 by ISD. The ISD system operated on the County's IBM mainframe computer system at an annual cost of \$1.05 per registered voter. VIMS' annual maintenance cost is \$0.07 per registered voter. In addition to cost savings, VIMS enabled increased reliability, operational efficiencies, improved service delivery and automated functions. VIMS also allowed for the Board approved partnerships with City of Los Angeles and City of Long Beach for online VIMS access which has helped to improve the quality of the voter data, pollworker and polling place data used by all jurisdictions. A recommendation for any new or continued online access use by the cities will be presented to your Board by way of a separate Board letter.

On January 30, 2007, your Board adopted a Sole Source Agreement with DIMS for a term of five (5) years with three (3) one-year extension options for the continuation of system maintenance and support services for VIMS and future system enhancements legally mandated by the Federal HAVA and or State of California law, regulation, or statute with no changes to the cost structure established under the terms of the prior contract. The Agreement was extended by amendments through May 9, 2015.

The recommendation is to extend the Agreement for an additional period of three (3) years with six month-to-month extensions to ensure the continuation of mission critical services and provision of the necessary resources for any future enhancements needed to interface with the State of California's interim Statewide Voter Registration Database, CALVOTER system and VoteCal, the future Statewide Voter Registration System administered and

maintained by the SOS. This process will meet functional, business and legal requirements mandated by State Regulations, California Elections Code, and HAVA.

The County's Chief Information Officer (CIO) reviewed this extension and determined that no CIO Analysis is required because the scope of services has not changed. The requested extension simply adds time to the existing Agreement. The CEO Risk Management Branch has reviewed and concurs with the provisions relating to insurance and indemnification. County Counsel has approved the attached Amendment as to form.

**CONTRACTING PROCESS:**

This Amendment Number Eight was developed through contract negotiations with DIMS. There was no additional contracting process conducted. DIMS owns the proprietary software responsible for VIMS' functionality and are the only authorized maintenance and support provider at this time.

**IMPACT ON CURRENT SERVICES:**

Approval of the recommendation will ensure uninterrupted service to VIMS which maintains voter recorders for over 6.3 million registered voters and provides quality voter data, pollworker and polling place data.

**CONCLUSION**

Upon approval by your Board, the Executive Office is requested to return one (1) adopted copy of this letter to:

Department of Registrar-Recorder/County Clerk  
Finance and Management Division  
12400 Imperial Highway, Suite 5115, Norwalk, CA 90650  
Attention: Dushyant Bala, Contract Manager  
Email: [Dbala@rrcc.lacounty.gov](mailto:Dbala@rrcc.lacounty.gov) Phone: 562-462-2905

Respectfully submitted,

Reviewed by:

DEAN C. LOGAN  
Registrar-Recorder/County Clerk

RICHARD SANCHEZ  
Chief Information Officer

DCL:RF  
DB:cp

Attachments (2)

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

**TABLE A**  
**ELECTION SUPPORT SYSTEMS INTEGRATED WITH VIMS**

<b>System</b>	<b>Function</b>
Election Contest and Ballot Management System (ECBMS)	Candidate Filing and Ballot Layout
GIS Single Point Data Entry (SPDE)	Address, Precinct, and District Maintenance
GIS Election Consolidation	Precinct Consolidation
Election Materials	Election labels, rosters, street indexes
Red Ballot Box Scanning and Tracking	Election night ballot box tracking
AskED Election Day Help Desk	Election day troubleshooting and public help desk
Poll worker Online Training	Polling Place worker online election training
Online Poll and Sample Ballot Lookup	Polling place locator and Sample Ballot viewer
Vote By Mail (VBM) Online Application	Public Online VBM ballot application and status lookup
Online Voter Registration Status	Public Online Voter Registration Status Lookup
Roster Reconciliation and Signature Capture	Election canvass voter roster signature and ballots cast reconciliation



Brian J. Stiger  
Director

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**COUNTY OF LOS ANGELES**  
**DEPARTMENT OF**  
**CONSUMER AND BUSINESS AFFAIRS**

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Members of the Board  
Hilda L. Solis  
Mark Ridley-Thomas  
Sheila Kuehl  
Don Knabe  
Michael D. Antonovich

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

May 5, 2015

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

Dear Supervisors:

**AUTHORIZATION FOR THE DEPARTMENT OF CONSUMER AND BUSINESS  
AFFAIRS TO SIGN AND EXECUTE A MEMORANDUM OF UNDERSTANDING WITH  
THE LEGAL AID SOCIETY OF ORANGE COUNTY TO ENHANCE DEBT  
COLLECTION WORKSHOP OPERATIONS  
(All Supervisorial Districts) (3 Votes)**

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

**SUBJECT:**

The Department of Consumer and Business Affairs (DCBA) requests your Board's approval to enter into a Memorandum of Understanding (MOU) with the Legal Aid Society of Orange County dba Community Legal Services (hereinafter "LASOC" or "CLS"). The MOU will formalize the existing partnership and improve the coordination between DCBA and LASOC in offering Debt Collection Workshops ("Workshops") within Los Angeles County ("County").

**RECOMMENDATION THAT YOUR BOARD:**

Authorize the Director of DCBA to sign an MOU (Attachment A) with LASOC from May 5, 2015 through December 31, 2015, to provide informational presentations and one-on-one counseling sessions as part of the Workshops for County residents, and be reimbursed for the work performed.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

Each month, thousands of consumers in the County are faced with legal actions regarding delinquent debt and have little knowledge about how to respond to these

actions. Many consumers cannot afford to consult with an attorney. Providing education and information on the consumer debt collection process allows consumers to make informed decisions regarding their debt collection situation.

DCBA recognizes the need to provide information to litigants facing debt collection. DCBA has partnered with the Los Angeles Superior Court and LASOC to assist these litigants. LASOC applied for, and was awarded, a State Bar Partnership Grant ("Grant") to provide Workshops at the Norwalk Courthouse, which is one of the two hubs for debt collection cases in the County. The Workshops will provide a general informational presentation, followed by one-on-one counseling to participants.

This MOU establishes the roles and responsibilities of DCBA and LASOC and provides DCBA with reimbursement for providing presentations and counseling at these Workshops.

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

This request supports the County's strategic Plan as follows:

Goal No. 2: Community Support and Responsiveness: Enrich lives of County residents by providing enhanced services, and effectively planning and responding to economic, social, and environmental challenges.

Goal No. 3: Integrated Services Delivery: Maximize opportunities to measurably improve client and community outcomes and leverage resources through the continuous integration of health, community, and public safety services.

#### **FISCAL IMPACT/FINANCING:**

DCBA will be able to request reimbursement from LASOC for conducting the Workshops, for a total sum of up to \$20,000. This revenue is from the Grant awarded to LASOC to conduct the Workshops.

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

Under County Code Section 2.62.030, DCBA's duties include informing consumers and businesses on applicable regulations and resources available to them; and providing consumer education material to the public. The Workshops fall under both of these Departmental responsibilities - to inform and educate consumers.

In this partnership with LASOC, DCBA will provide an attorney two or three Tuesday afternoons each month and one or more counselors every Tuesday afternoon for the Workshops at the Norwalk Courthouse. DCBA will also ensure that the Workshops offer a 30-minute informational PowerPoint presentation detailing the debt collection process prior to and during litigation; and meet one-on-one with participants at the

Workshops for individual counseling sessions after the group presentation.

Under the terms of this MOU, DCBA will be conducting Workshops in partnership with LASOC, from May 5, 2015 through December 31, 2015. Either party may terminate this MOU at any time and for any reason upon 60-days written notice to the other party.

Each attorney or counselor conducting the Workshops will undergo a two-hour training on the laws governing the debt collection process, and then will shadow a facilitator at the Workshops for a minimum of two sessions before assuming any counseling role.

Participants will be made aware that no direct assistance will be provided in regards to the completion of answers to a summons and complaint for collection, no legal advice will be provided and no attorney-client relationship is formed as part of the Workshops.

The MOU contains mutual indemnification provisions that require LASOC and DCBA to indemnify, defend and hold harmless the other from and against any and all liability arising from or connected with claims, lawsuits for damages, and/or Worker's Compensation benefits relating to services which result from bodily injury, death, personal injury, and/or property damage. Neither party is obligated to indemnify for liability and expense arising from an act of negligence.

The MOU deviates from the County's standard terms and conditions and does not contain any of the Board mandated and Board Policy terms and conditions, i.e., Safely Surrendered Baby Law, Defaulted Property Tax Program, Jury Service Ordinance, etc. which were not considered applicable to this agreement.

DCBA has consulted with CEO Risk Management and County Counsel regarding insurance and indemnification provisions in the MOU and understands the associated risks to the County. However, DCBA believes that these risks are acceptable given the need for services and resulting benefits to the public.

County Counsel has approved the attached MOU as to form.

### **IMPACT ON CURRENT SERVICES:**

The approval of this recommendation will not reduce services currently provided by DCBA. Your Board's approval of this request will provide much needed assistance to the consumers of the County who otherwise would not receive help or information about how to handle debt collection issues.

### **CONCLUSION**

Please authorize DCBA to sign the MOU and return one adopted copy of this letter to DCBA.

The Honorable Board of Supervisors  
May 5, 2015  
Page 4

Respectfully submitted,

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Brian J. Stiger, Director  
Department of Consumer and Business Affairs

Attachments

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

## **MEMORANDUM OF UNDERSTANDING**

The Legal Aid Society of Orange County (hereinafter “LASOC”) and the County of Los Angeles Department of Consumer and Business Affairs (hereinafter “DCBA”) agree to the following Memorandum of Understanding (MOU) setting forth the services to be provided under the 2015 State Bar of California Partnership Grant for the Consumer Debt Collection Workshop.

### **A. Purpose**

In partnership with the Superior Court of California, County of Los Angeles (“Court”), LASOC and DCBA will provide Consumer Debt Collection Workshops on every Tuesday afternoon of each month at the Southeast District (Norwalk) Superior Court. LASOC has received a grant from the State Bar of California and has sub-granted funds to DCBA to collaborate and conduct the Consumer Debt Collection Workshops. LASOC or DCBA will provide an attorney and one (or more) counselors well versed in Debt Collection law and practices at each Consumer Debt Workshop.

### **B. Term**

This MOU is effective May 5, 2015 – December 31, 2015. Either party may terminate this MOU at any time and for any reason upon 60 days written notice to the other party.

### **C. Role and Responsibilities of LASOC**

LASOC agrees to:

1. Provide one (1) attorney at the Consumer Debt Collection Workshop two (2) to three (3) times each month.
2. Provide one (1) counselor at the Consumer Debt Collection Workshop every Tuesday afternoon of each month.
3. Ensure that the attorney and counselor staffing the Consumer Debt Collection Workshop are well versed in Debt Collection law and processes. LASOC will ensure that the workshop will offer a 30 minute informational powerpoint detailing the collections process prior to and during litigation, along with information on post judgment issues. The presentation will be followed by a question and answer period. All participants will be offered the opportunity to meet one-on-one with one of the workshop facilitators for counseling regarding specific concerns relating to debt collection. Participants will be made aware that no direct assistance will be provided in regards to the completion of answers to a Summons and Complaint for collection, no legal advice will be provided and no attorney-client relationship is formed as part of the Workshop. Participant may be provided with referrals for assistance with answering the Summons and Complaint, may be provided with self-help materials to allow them to answer the Summons and

Complaint on their own, and may be provided referrals for debt collection counseling and mediation.

4. LASOC, along with DCBA and the Court, will administer intake and scheduling procedures for those who wish to sign up for the workshop and those who attend the workshop.
5. Provide DCBA with information and materials provided to LASOC by Court, or reasonably available to LASOC, to assist DCBA in its performance under this MOU including, but not limited to, announcements, bulletins, directives, instructions and forms relating to the State Bar of California's Legal Services Trust Fund Program- Equal Access Fund Partnership Grant.
6. Provide DCBA with reasonable notice of all reporting deadlines under the State Bar of California's Legal Services Trust Fund Program- Equal Access Fund Partnership Grant and/or LASOC's MOU with the Court so that DCBA may timely submit information, materials and reports to LASOC, so that LASOC will be able to prepare and submit reports to the Court and The State Bar.

**D. Role and Responsibilities of DCBA**

DCBA agrees to:

1. Provide one (1) attorney at the Consumer Debt Collection Workshop two (2) to three (3) times each month.
2. Provide one (1), or more, counselors at the Consumer Debt Collection Workshop every Tuesday afternoon of each month.
3. Ensure that the attorney and counselor staffing the Consumer Debt Collection Workshop are well versed in Debt Collection law and processes. DCBA will ensure that the workshop will offer a 30 minute informational powerpoint detailing the collections process prior to and during litigation, along with information on post judgment issues. The presentation will be followed by a question and answer period. All participants will be offered the opportunity to meet one-on-one with one of the workshop facilitators for counseling regarding specific concerns relating to debt collection. Participants will be made aware that no direct assistance will be provided in regards to the completion of answers to a Summons and Complaint for collection, no legal advice will be provided and no attorney-client relationship is formed as part of the Workshop. Participant may be provided with referrals for assistance with answering the Summons and Complaint, may be provided with self-help materials to allow them to answer the Summons and Complaint on their own, and may be provided referrals for debt collection counseling and mediation.

4. DCBA, along with LASOC and the Court, will administer intake and scheduling procedures for those who wish to sign up for the workshop and those who attend the workshop.
5. Provide LASOC with information and materials provided to DCBA by Court, or reasonably available to DCBA, to assist LASOC in its performance under this MOU including, but not limited to, announcements, bulletins, directives, instructions and forms relating to the State Bar of California's Legal Services Trust Fund Program- Equal Access Fund Partnership Grant.
6. Provide LASOC with information which will enable it to prepare and submit reports to the Court and State Bar. Provide LASOC with reasonable notice of all reporting deadlines under the State Bar of California's Legal Services Trust Fund Program- Equal Access Fund Partnership Grant and/or LASOC's MOU with the Court so that LASOC may timely submit reports as required under the Grant.

**E. Distribution of Funds to DCBA**

1. In consideration of the various provisions of this MOU, DCBA will receive from LASOC the total sum of up to \$20,000 to be paid as invoiced on a monthly basis with each invoice to be paid within thirty (30) days of the date of LASOC's receipt of funds from the State Bar of California pursuant to the Partnership grant.
2. Each month that DCBA provides the agreed upon service will be compensated at a rate of \$2,500 per month.

**F. Indemnification**

LASOC agrees to indemnify, defend, and hold harmless DCBA and the County of Los Angeles, and their respective elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to defense costs and attorney's fees, arising from or connected with claims, lawsuits for damages, and/or Worker's Compensation benefits relating to LASOC staff or attorney services, which result from bodily injury, death, personal injury, and/or property damage (including damage to LASOC property). LASOC shall not be obligated to indemnify for liability and expense arising from an act of negligence of DCBA or DCBA's staff.

DCBA agrees to indemnify, defend, and hold harmless LASOC, and their respective elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to defense costs and attorney's fees, arising from or connected with claims, lawsuits for damages, and/or Worker's Compensation benefits relating to DCBA services, which result from bodily injury, death, personal injury, and/or property damage (including damage to DCBA

property). DCBA shall not be obligated to indemnify for liability and expense arising from an act of negligence of LASOC or LASOC’s staff.

LASOC agrees to comply with all applicable federal, state, and local laws, rules, regulations, ordinances, and directives and shall maintain all required licenses and permits required by law for performing services under this MOU. LASOC shall indemnify, defend, and hold harmless DCBA and the County of Los Angeles, and their respective elected or appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, losses, damages, fees (including attorney’s fees and expert witness fees), costs, and/or expenses resulting from a violation by LASOC or DCBA staff or attorney of any laws, rules, regulations, ordinances, directives, provisions, licenses, and/or permits, including but not limited to those concerning nepotism, employment eligibility, civil rights, conflict of interest, wages and hours, non-discrimination, and Federal Fair Labor Standards.

**G. General Provisions**

1. LASOC and DCBA each agree that neither is the agent of the other;
2. LASOC and DCBA agree to hold each other harmless for their respective activities.
3. LASOC and DCBA each agree to maintain the confidentiality of information provided to them;
4. DCBA agrees to make available its books and records related to this MOU upon reasonable request from LASOC to allow LASOC to respond to requests from Court or the State Bar of California.
5. LASOC shall provide Lawyer's Professional Liability Insurance to cover all work performed under this agreement at the following level: \$1,000,000.00 per each claim and \$1,000,000.00 in the aggregate.
6. LASOC shall provide fidelity bond coverage.
7. DCBA as part of the County of Los Angeles consents to self-insure.
8. This MOU may be terminated by either party on sixty (60) days written notice delivered to the address set forth below; and
9. Each person signing below represents and warrants that she or he has the authority to sign on behalf of hers or his organization.

<i><b>LASOC Contact</b></i>	<i><b>DCBA Contact</b></i>
<b>Name: Robert J. Cohen</b>	<b>Name: Kirk Shelton</b>
<b>Title: Executive Director</b>	<b>Title: Chief Deputy Director</b>
<b>Phone: (714) 571-5233</b>	<b>Phone: (213) 974-4615</b>
<b>Address: 2101 N. Tustin Ave., Santa Ana CA 92705</b>	<b>Address: 500 W. Temple St. Room B-96, Los Angeles CA 90012</b>
<b>Fax: (714) 571-5270</b>	<b>Fax: (213) 6874826</b>
<b>Email: bcohen@legal-aid.com</b>	<b>Email: kshelton@DCBA.lacounty.gov</b>

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Robert J. Cohen, Executive Director  
Legal Aid Society of Orange County

[DATE]

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Brian Stiger, Director  
County of Los Angeles Department of Consumer and Business Affairs

[DATE]



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  
Interim Chief Executive Officer

**DRAFT**

May 5, 2015

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  
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:

**AUTHORIZATION TO INCREASE FUNDING FOR  
THE WORKERS' COMPENSATION CLAIMS ADMINISTRATION 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 Chief Information Officer (CIO) seeks the Board's approval to execute Amendment Two to Contract No. 77737 with P&C Claims, Incorporated (P&C Claims, Inc.), to change the Contractor's legal name and for software maintenance and application hosting services of the Workers' Compensation Claims Administration System (System).

**IT IS RECOMMENDED THAT THE BOARD:**

Approve and instruct the Interim CEO, or her designee, to execute Amendment Two, substantially similar to Exhibit I (Attachment I), to change the Contractor name P&C Claims, Inc., to P&C Insurance Systems, Inc. (PCIS).

Approve and instruct the Interim CEO, or her designee to amend Contract No. 77737, to increase the Maximum Contract Sum by \$400,000 for a total Contract authority of \$3,285,232.

*"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**

Approval of the first recommendation will allow for the operating subsidiary, P&C Claims, Inc., who consolidated into their parent company P&C Insurance Systems, Inc. (PCIS), to continue the provision of necessary System services under PCIS.

The second recommendation will allow for the customization of the System in order to interface with other County of Los Angeles (County) systems, and the modifications required due to statutory and technical requirements for the seamless continuation of the System's transition and updates.

On February 28, 2012, the Board approved the recommendation to execute a sole source contract with P&C Claims, Inc. for software maintenance and application hosting services. As part of the Contract, P&C Claims, Inc. was to engage in a system conversion to upgrade and replace the existing GenIris platform to ClaimsVision. At that time, both County and P&C Claims, Inc., anticipated that such conversion would not require significant software modifications so the funding for optional work was not requested. The additional funding is required to cover costs of unanticipated system modifications to allow for interface of the System with other County databases, including the Auditor-Controller's eCAPS financial system, and implement changes to the County's Workers' Compensation claims administration program as a result of legally, mandated, and technical requirements.

Currently, 300 users, including the County Workers' Compensation third party administrators (TPAs), medical management and cost containment contractors, short- and long-term disability benefits TPAs, CEO Risk Management Branch, County Counsel, and other County department staff depend on the System to manage the County Workers' Compensation claims administration program, process indemnity payments to injured employees, issue medical payments to healthcare and ancillary service providers; and generate State-mandated benefit notices, and issue State and Federal required reports. The upgraded System must be fully functional and integrated with the Auditor-Controller's eCAPS financial system in order to process payments on a timely basis. Failure to do so will subject the County to costly penalties by the State and potential loss of the ability to self-insure its liability.

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

The services provided under this Contract support the County's Strategic Plan Goal One, Operational Effectiveness/Fiscal Sustainability, by providing a centralized claim and litigation database that the CEO, County Counsel, County departments, and County TPAs utilize to improve the effectiveness of Countywide risk management and litigation activities.

### **FISCAL IMPACT/FINANCING**

The Contract is currently in the first of three one-year option years. The maximum cost for option years one through three will not exceed \$1,765,548. In Fiscal Year (FY) 2014-15, the CEO expended \$378,188 for System maintenance and hosting. Funding for this amendment is included in the General Fund for FY 2015-16.

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

On February 28, 2012, the Board approved a sole source contract with P&C Claims, Inc., for application hosting and maintenance services to support the System, upgrade the System, and correct the database. In 2013, P&C Claims, Inc. entered into an Agreement of Merger with P&C Insurance Systems, Inc., and the name of the Contractor was changed to P&C Insurance Systems, Inc. (PCIS). The base term of this Contract expired on February 28, 2015. Amendment One executed on January 22, 2015, extended the term of the Contract through February 28, 2016.

The System is currently undergoing conversion from the old GenIris platform to ClaimsVision. Data migration to the new system is complete. Currently, CEO staff is performing vendor mapping simulation analysis to ensure that the ClaimsVision and eCAPS vendor interface is robust. The County acceptance of the System, and the go-live date has not been set pending the completion of additional work, which cannot be accomplished unless the funding for this Contract is increased. An increase of \$400,000 for additional work will allow for the following:

- Additional customizations for system interfaces to and from County's financial system;
- Additional customizations to enhance the fiscal auditing capability;
- Increased automation of the multiple interfaces required by the Workers' Compensation program, including the Medicare mainframe data conversion; and
- Development of a paperless environment for claims administration.

In 2013, CEO Risk Management Branch analyzed claims management and risk information needs across all its functional areas (workers' compensation, general liability, auto liability, small claims and disability management). The completed analysis included results from a request for information (RFI) released on July 15, 2013, which resulted in a number of viable responses indicating the ability to enhance the County's claims management functions across all functional areas. Accordingly, CEO Risk Management Branch plans to issue a single RFP later in 2015 to include comprehensive claims management functions across all functional areas including workers' compensation and liability claims.

The CEO and CIO have approved this Amendment, and CIO has provided its analysis as support (Attachment II). County Counsel has reviewed and approved Exhibit I as to form.

### **CONTRACTING PROCESS**

On February 28, 2012, the Board approved the execution of a sole source contract with P&C Claims, Inc., for application hosting and maintenance services to support the System effective March 1, 2012 through February 28, 2015, for a total maximum contract sum not to exceed \$1,519,684. The Board directed the CEO to initiate a Request for Proposals (RFP) for a new Workers' Compensation claims administration system and report back beginning in July 2012, and every six (6) months thereafter on the status of the RFP development and conversion of the System to a modern database system with improved functionality. The CEO will provide its next update to the Board in July 2015.

### **IMPACT ON CURRENT SERVICES**

Approval of funding increase for optional work will enable PCIS to complete the conversion of the System to ClaimsVision and allow for testing of the new Risk Management Information System.

The Honorable Board of Supervisors  
May 5, 2015  
Page 5

**DRAFT**

**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 T. Robles, County Risk Manager.

Respectfully submitted,

SACHI A. HAMAI  
Interim Chief Executive Officer

RICHARD SANCHEZ  
Chief Information Officer

SAH:RS:JJ  
STR:RLC:KSJ:tv

Attachments

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

**WORKERS' COMPENSATION CLAIMS ADMINISTRATION SYSTEM  
SOFTWARE MAINTENANCE AND APPLICATION HOSTING SERVICES**

**AMENDMENT TWO**

This Amendment Two (the "Amendment") to the Workers' Compensation Claims Third Party Administration Services, Contract No. 77737, is entered into this \_\_\_\_ day of \_\_\_\_\_, 2015 ("Effective Date") by and between the County of Los Angeles, a political subdivision of the State of California ("County") and P&C Claims, Inc. ("Contractor"), with reference to the following facts:

**Recitals**

**WHEREAS**, on March 1, 2012, the County entered into Contract No. 77737 with Contractor, for Workers' Compensation Claims Administration System Software Maintenance and Hosting Services;

**WHEREAS**, effective August 8, 2013, Contractor entered into an Agreement of Merger, with P&C Insurance Systems, Incorporated, resulting in a name change;

**WHEREAS**, the term of the Contract is three (3) years and three (3) one-year options to extend;

**WHEREAS**, effective March 1, 2015, the Contract is extended for the first of three (3) one-year options;

**WHEREAS**, the Maximum Contract Sum, approved by the Board, including all extensions is \$2,885,232;

**WHEREAS**, the Maximum Contract Sum includes a maximum of \$200,000 for system customization during the optional extension periods; and

**WHEREAS**, there have been and will continue to be unanticipated changes in Workers' Compensation procedures due to legal and mandated requirements or technical system requirements which requires extensive customization, and the maximum \$200,000 for customization is inadequate to cover such costs; and

**NOW THEREFORE**, in consideration of the mutual benefits derived therefrom, it is agreed between the parties that the Contract shall be amended as follows:

1. **This Amendment Two shall commence upon approval by the Board.**
2. **Wherever the name P&C Claims, Inc. appears in Contract No. 77737, it shall be amended and interpreted to read P&C Insurance Systems, Inc., or PCIS.**

3. **CONTRACT, SECTION 5.0, (CONTRACT SUM)**, shall be deleted in its entirety and replaced with the following:

5.0 CONTRACT SUM

- 5.1 The maximum Contract sum under the terms of this Contract shall be the total monetary amount payable by County to Contractor for the provision of Services specified herein in accordance with Exhibits B and B.1 (Payment Schedule) of this Contract. For the base term of the Contract, the period March 1, 2012 through February 28, 2015, the maximum Contract sum shall be \$1,519,684.00. If County exercises the option years, the costs shall be as set forth in Exhibits B and B.1 (Payment Schedule) of this Contract.
- 5.2 During the option years, the maximum cost for Optional Work shall be increased by \$400,000.00, for a maximum of \$600,000.00, as set forth in Exhibits B and B.1 (Payment Schedule) of this Contract. Such sums shall be used to cover costs of system modifications due to interface requirements with other County systems, unanticipated changes in Workers' Compensation laws, work procedures and for administration of County's mandated Medicare reporting requirements.
- 5.3 The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of the same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall only occur with the County's express prior written approval.
- 5.4 The Contractor shall maintain a system of record keeping that will allow the Contractor to determine when it has incurred seventy-five percent (75%) of the total contract authorization under this Contract. Upon occurrence of this event, the Contractor shall send written notification to the County at the address herein provided in Exhibit D (County's Administration).
- 5.5 **No Payment for Services Provided Following Expiration/Termination of Contract**

The Contractor shall have no claim against the County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Contract. Should the Contractor receive any such payment it shall

immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Contract shall not constitute a waiver of County's right to recover such payment from the Contractor. This provision shall survive the expiration or other termination of this Contract.

## 5.6 **Invoices and Payments**

- 5.6.1 Contractor shall invoice County only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A (Statement of Work) and elsewhere hereunder. Contractor shall prepare the invoices, which shall include the charges owed to the Contractor by County under the terms of this Contract. Contractor's payments shall be as provided in Exhibits B and B.1 (Payment Schedule), and the Contractor shall be paid only for the tasks, deliverables, goods, services, and other work approved in writing by the County. If County does not approve work in writing, no payment will be due to the Contractor for that work.
- 5.6.2 Contractor's invoices shall be priced in accordance with Exhibits B and B.1 (Payment Schedule).
- 5.6.3 The Contractor's invoices shall contain the information set forth in Exhibit A (Statement of Work) describing the tasks, deliverables, goods, services, work hours and facility and/or other work for which payment is claimed.
- 5.6.4 Contractor shall submit the monthly invoices to County by the fifteenth (15<sup>th</sup>) calendar day of the month following the month of service.
- 5.6.5 All invoices under this Contract shall be submitted in duplicate to the County Project Manager.
- 5.6.6 All invoices submitted by the Contractor for payment shall have the written approval of the County Project Director or designee prior to any payment thereof. In no event shall County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld, and in no instance will such approval take more than thirty (30) days from receipt of properly prepared invoices by County.
- 5.6.7 If this Contract is terminated by County for default pursuant to Subparagraph 8.42 (Termination for Default), then, without excusing such default, and without prejudice to any other rights of County in this Contract or as provided by law, Contractor shall be

entitled to receive payment for all work performed prior to the termination date and approved by County.

5.6.8 If termination by County for default is a result of failure by Contractor to achieve Deliverables as thereafter determined by County, as set forth in Exhibit A (Statement of Work), and such failure is not caused by an unreasonable delay or unreasonable lack of cooperation by County, then County shall be obligated to Contractor for the sums related to work performed and approved by County. The County's license to use the System shall remain in effect following the termination of this Contract.

5.7 Notwithstanding any other provision of this Contract, and in addition to the provisions of Subparagraph 5.5 (Invoices and Payments) and Attachment I (Performance Standards Requirements and Service Level Agreement) of Exhibit A (Statement of Work), and to any rights of County given by law or provided in this Contract, County may upon written notice to Contractor may withhold payment for any Deliverable or other services while Contractor is in default hereunder, or at any time that Contractor has not provided a County-approved Deliverable. This provision shall not be deemed to impair any claims that Contractor may have against County or Contractor's rights to assert such claims pursuant to Subparagraph 8.52 (Dispute Resolution Procedure), provided that such default or non-delivery is not caused by an unreasonable delay or unreasonable lack of cooperation by County.

**4. STATEMENT OF WORK, SECTION 5.0 (Specific Work Requirements), Subparagraph 5.4, Optional Work, shall be added as follows:**

5.4 Optional Work

Upon County's request and mutual approval pursuant to the terms of this Contract, Contractor shall provide Optional Work, including software enhancements, consisting of additional software and/or Customizations in the form of solution modifications and additional interfaces, professional services, consisting of consulting services and/or additional training, increased automation of the multiple interfaces required by the Worker's Compensation Program, which includes the Medicare mainframe data, and the development of a paperless claims administration environment at the applicable hourly rates set forth in Exhibit B (Payment Schedule). Such Optional Work shall be accomplished by means of a Work Order.



**IN WITNESS WHEREOF**, the Board of Supervisors of the County of Los Angeles has caused this Amendment Two to be subscribed by its Interim Chief Executive Office or designee, and Contractor has caused this Amendment Two to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written

**COUNTY OF LOS ANGELES**

**P&C INSURANCE SYSTEMS, INC.**

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

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

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

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

ATTEST:

PATRICK OGAWA  
Acting Executive Officer-Clerk  
Board of Supervisors

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

APPROVED AS TO FORM:

MARK J. SALADINO  
County Counsel

By: \_\_\_\_\_  
Behnaz Tashakorian  
Deputy County Counsel

**PAYMENT SCHEDULE  
OPTION YEARS 1, 2 and 3**

<b>SERVICE</b>	<b>COST (ANNUAL)</b>
<b>OPTIONAL WORK:</b>  For changes required for System programming, reporting, support services, increase in user licenses, and migration to next generation platform	\$600,000.00 <sup>A</sup>
<b>OPTION YEAR 1 MAXIMUM COST</b>	<b>\$983,288.00<sup>B</sup></b>
<b>OPTION YEAR 2 MAXIMUM COST</b>	<b>\$388,484.00<sup>C</sup></b>
<b>OPTION YEAR 3 MAXIMUM COST</b>	<b>\$393,776.00<sup>C</sup></b>

<sup>A</sup> Maximum total aggregate expenditure for Option Years 1 through 3, includes \$100,000 originally allocated for Option Year 1 and \$50,000 each for Option Years 2 and 3 and additional \$400,000 needed for system modifications through February 2018.

<sup>B</sup> Includes \$600,000 for optional work. It is anticipated that most of the modifications will occur during Option Year 1. Any unused funding for Optional Work will be carried over into Option Years 2 and 3.

<sup>C</sup> Annual Contract cost less \$50,000 originally allocated for Optional Work.

**EXHIBIT K****INFORMATION SECURITY REQUIREMENTS**

This sets forth information security procedures to be established by Contractor before the effective date of the Contract and maintained throughout the term of the Contract. These procedures are in addition to the requirements of the Contract between the Parties. They present a minimum standard only. However, it is Contractor's sole obligation to: (i) implement appropriate measures to secure its systems and data, including Personal Information and County Confidential Information, against internal and external threats and risks; and (ii) continuously review and revise those measures to address ongoing threats and risks. Failure to comply with the minimum standards set forth in this Exhibit K (Information Security Requirements) will constitute a material, non-curable breach of the Contract by Contractor, entitling County, in addition to and cumulative of all other remedies available to it at law, in equity, or under the Contract, to immediately terminate the Contract.

1. **Security Policy.** Contractor shall establish and maintain a formal, documented, mandated, company-wide information security program, including security policies, standards and procedures (collectively "**Information Security Policy**"). The Information Security Policy will be communicated to all Contractor personnel in a relevant, accessible, and understandable form and will be regularly reviewed and evaluated to ensure its operational effectiveness, compliance with all applicable laws and regulations, and to address new threats and risks.
2. **Personnel and Contractor Protections.** Contractor shall screen and conduct background checks on all Contractor personnel contacting County Confidential Information, including Personally Identifiable Information, for potential security risks and requires all employees and contractors to sign an appropriate written confidentiality/non-disclosure agreement. All agreements with third-parties involving access to Contractor's systems and data, including all outsourcing arrangements and maintenance and support agreements (including facilities maintenance), shall specifically address security risks, controls, and procedures for information systems. Contractor shall supply each of its Contractor personnel with appropriate, ongoing training regarding information security procedures, risks, and threats. Contractor shall have an established set of procedures to ensure Contractor personnel promptly report actual and/or suspected breaches of security.
3. **Removable Media.** Except in the context of Contractor's routine back-ups or as otherwise specifically authorized by County in writing, Contractor shall institute strict physical and logical security controls to prevent transfer of Personally Identifiable Information to any form of Removable Media. For purposes of this Exhibit K (Information Security Requirements), "Removable Media" means portable or removable hard disks, floppy disks, USB memory drives, zip disks, optical disks, CDs, DVDs, digital film, digital cameras, memory cards (e.g., Secure Digital (SD), Memory Sticks (MS), CompactFlash (CF), SmartMedia (SM), MultiMediaCard (MMC), and xD-Picture Card (xD)), magnetic tape, and all other removable data storage media.
4. **Data Control; Media Disposal and Servicing.** Personally Identifiable Information and County Confidential Information: (i) may only be made available and accessible to those parties explicitly authorized under the Contract or otherwise expressly approved by County in writing; (ii) if transferred across the Internet, any wireless network (e.g., cellular, 802.11x, or similar technology), or other public or shared networks, must be protected using appropriate

encryption technology as designated or approved by County in writing; and (iii) if transferred using Removable Media (as defined above) must be sent via a bonded courier or protected using encryption technology designated or approved by County in writing. The foregoing requirements shall apply to back-up data stored by Contractor at off-site facilities. In the event any hardware, storage media, or Removable Media must be disposed of or sent off-site for servicing, Contractor shall ensure all County Confidential Information, including Personally Identifiable Information, has been cleared, purged, or scrubbed from such hardware and/or media using industry best practices (e.g., NIST Special Publication 800-88, Guidelines for Media Sanitization<sup>1</sup>).

6. **Hardware Return.** Upon termination or expiration of the Contract or at any time upon County's request, Contractor will return all hardware, if any, provided by County containing Personally Identifiable Information or County Confidential Information to County. The Personally Identifiable Information and County Confidential Information shall not be removed or altered in any way. The hardware should be physically sealed and returned via a bonded courier or as otherwise directed by County. In the event the hardware containing County Confidential Information or Personally Identifiable Information is owned by Contractor or a third-party, a notarized statement, detailing the destruction method used and the data sets involved, the date of destruction, and the company or individual who performed the destruction will be sent to a designated County security representative within fifteen (15) days of termination or expiration of the Contract or at any time upon County's request. Contractor's destruction or erasure of Personally Identifiable Information pursuant to this Section shall be in compliance with industry Best Practices (e.g., NIST Special Publication 800-88, Guidelines for Media Sanitization<sup>2</sup>).
7. **Physical and Environmental Security.** Contractor facilities that process Personally Identifiable Information or County Confidential Information will be housed in secure areas and protected by perimeter security such as barrier access controls (e.g., the use of guards and entry badges) that provide a physically secure environment from unauthorized access, damage, and interference.
8. **Communications and Operational Management.** Contractor shall: (i) monitor and manage all of its information processing facilities, including, without limitation, implementing operational procedures, change management and incident response procedures; and (ii) deploy adequate anti-viral software and adequate back-up facilities to ensure essential business information can be promptly recovered in the event of a disaster or media failure; and (iii) ensure its operating procedures will be adequately documented and designed to protect information, computer media, and data from theft and unauthorized access.
9. **Access Control.** Contractor shall implement formal procedures to control access to its systems, services, and data, including, but not limited to, user account management procedures and the following controls:
  - a. Network access to both internal and external networked services shall be controlled, including, but not limited to, the use of properly configured firewalls;

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<sup>1</sup> Available at <http://www.csrc.nist.gov/>

<sup>2</sup> Available at <http://www.csrc.nist.gov/>

- b. Operating systems will be used to enforce access controls to computer resources including, but not limited to, authentication, authorization, and event logging;
  - c. Applications will include access control to limit user access to information and application system functions; and
  - d. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. Contractor shall record, review and act upon all events in accordance with incident response policies set forth below.
10. **Security Incident.** A "Security Incident" shall have the meaning given to such term in 45 C.F.R. § 164.304.
- a. Contractor will promptly notify (but in no event more than twenty-four (24) hours after the detection of a Security Incident) the designated County security contact by telephone and subsequently via written letter of any potential or actual security attacks or Security Incidents.
  - b. The notice shall include the approximate date and time of the occurrence and a summary of the relevant facts, including a description of measures being taken to address the occurrence. A Security Incident includes instances in which internal personnel access systems in excess of their user rights or use the systems inappropriately.
  - c. Contractor will provide a monthly report of all Security Incidents noting the actions taken. This will be provided via a written letter to the County security representative on or before the first (1st) week of each calendar month. County or its third-party designee may, but is not obligated, perform audits and security tests of Contractor's environment that may include, but are not limited to, interviews of relevant personnel, review of documentation, or technical inspection of systems, as they relate to the receipt, maintenance, use, retention, and authorized destruction of Personally Identifiable Information and County Confidential Information.
  - d. In the event County desires to conduct an unannounced penetration test, County shall provide contemporaneous notice to Contractor's Vice President of Audit, or such equivalent position. Any of County's regulators shall have the same right upon request. Contractor shall provide all information reasonably requested by County in connection with any such audits and shall provide reasonable access and assistance to County or its regulators upon request. Contractor agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes. County reserves the right to view, upon request, any original security reports that Contractor has undertaken on its behalf to assess Contractor's own network security. If requested, copies of these reports will be sent via bonded courier to the County security contact. Contractor will notify County of any new assessments.
11. **Contractor Self Audit.** Contractor will provide to County a summary of: (1) the results of any security audits, security reviews, or other relevant audits listed below, conducted by Contractor or a third-party; and (2) the corrective actions or modifications, if any, Contractor will implement in response to such audits.

Relevant audits conducted by Contractor as of the Effective Date include:

- a. ISO 27001:2013 (Information Security Management) or FDA's Quality System Regulation, etc. – Contractor-Wide. A full recertification is conducted every three (3) years with surveillance audits annually.
  - (i) **External Audit** – Audit conducted by non-Contractor personnel, to assess Contractor's level of compliance to applicable regulations, standards, and contractual requirements.
  - (ii) **Internal Audit** – Audit conducted by qualified Contractor Personnel (or contracted designee) not responsible for the area of review, of Contractor organizations, operations, processes, and procedures, to assess compliance to and effectiveness of Contractor's Quality System ("CQS") in support of applicable regulations, standards, and requirements.
  - (iii) **Supplier Audit** – Quality audit conducted by qualified Contractor Personnel (or contracted designee) of product and service suppliers contracted by Contractor for internal or Contractor client use.
  - (iv) **Detailed findings**- are not published externally, but a summary of the report findings, and corrective actions, if any, will be made available to County as provided above and the ISO certificate is published on [REDACTED].
- b. SSAE-16 (formerly known as SAS -70 II) – As to the Hosting Services only:
  - (i) Audit spans a full twelve (12) months of operation and is produced every six (6) months (end of June, end of December) to keep it "fresh."
  - (ii) The resulting detailed report is available to County.

Detailed findings are not published externally, but a summary of the report findings, and corrective actions, if any, will be made available to County as provided above.

12. **Security Audits.** In addition to the audits described in Section 11 (Contractor Self Audit), during the term of this Contract, County or its third-party designee may annually, or more frequently as agreed in writing by the Parties, request a security audit of Contractor's data center and systems. The audit will take place at a time mutually agreed to by the Parties, but in no event on a date more than ninety (90) days from the date of the request by County. County's request for security audit will specify the areas (e.g., Administrative, Physical and Technical) that are subject to the audit and may include but not limited to physical controls inspection, process reviews, policy reviews evidence of external and internal vulnerability scans, penetration tests results, evidence of code reviews, and evidence of system configuration and audit log reviews. County shall pay for all third-party costs associated with the audit. It is understood that summary data of the results may filtered to remove the specific information of other Contractor customers such as IP address, server names, etc.. Contractor shall cooperate with County in the development of the scope and methodology for the audit, and the timing and implementation of the audit. Any of the County's regulators shall have the same right upon request, to request an audit as described above. Contractor agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes.

### 13. Confidentiality

- a. Contractor agrees that all information supplied by its affiliates and agents to the County including, without limitation, (a) any information relating to County's customers, patients,

business partners, or personnel; and (b) Personally Identifiable Information (as defined below) will be deemed confidential and proprietary to the County, regardless of whether such information was disclosed intentionally or unintentionally or marked as “confidential” or “proprietary” (“Confidential Information”). To be deemed “Confidential Information”, trade secrets and mask works must be plainly and prominently marked with restrictive legends.

b. **County Data.** All of the County Confidential Information, data, records, and information of County to which Contractor has access, or otherwise provided to Contractor under this Contract (“County Data”), shall be and remain the property of County and County shall retain exclusive rights and ownership thereto. The County Data shall not be used by Contractor for any purpose other than as required under this Contract, nor shall such data or any part of such data be disclosed, sold, assigned, leased, or otherwise disposed of to third-parties by Contractor or commercially exploited or otherwise used by or on behalf of Contractor, its officers, directors, employees, or agents.

c. **Personally Identifiable Information.** “Personally Identifiable Information” shall mean any information that identifies a person, including, but not limited to, name, address, email address, passwords, account numbers, social security numbers, credit card information, personal financial or healthcare information, personal preferences, demographic data, marketing data, credit data, or any other identification data. For the avoidance of doubt, Personally Identifiable Information shall include, but not be limited to, all “nonpublic personal information,” as defined under the Gramm-Leach-Bliley Act (15 United States Code (“U.S.C.”) §6801 et seq.), Protected Health Information, and “Personally Identifiable Information” as that term is defined in EU Data Protection Directive (Directive 95/46/EEC) on the protection of individuals with regard to processing of personal data and the free movement of such data.

i. **Personally Identifiable Information.** In connection with this Contract and performance of the services, Contractor may be provided or obtain, from County or otherwise, Personally Identifiable Information pertaining to County's current and prospective personnel, directors and officers, agents, investors, patients, and customers and may need to process such Personally Identifiable Information and/or transfer it, all subject to the restrictions set forth in this Contract and otherwise in compliance with all applicable foreign and domestic laws and regulations for the sole purpose of performing the services.

ii. **Treatment of Personally Identifiable Information.** Without limiting any other warranty or obligations specified in this Contract, and in particular the confidential provisions of Section 13 (Confidentiality), during the term of this Contract and thereafter in perpetuity, Contractor will not gather, store, log, archive, use, or otherwise retain any Personally Identifiable Information in any manner and will not disclose, distribute, sell, share, rent, or otherwise retain any Personally Identifiable Information to any third-party, except as expressly required to perform its obligations in this Contract or as Contractor may be expressly directed in advance in writing by County. Contractor represents and warrants that Contractor will use and process Personally Identifiable Information only in compliance with (a) this Contract, (b) County's then current privacy policy, and (c) all applicable local, state, and federal laws and regulations (including, but not limited to, current and future laws and regulations relating to spamming, privacy, confidentiality, data security, and consumer protection).

iii. **Retention of Personally Identifiable Information.** Contractor will not retain any Personally Identifiable Information for any period longer than necessary for Contractor to fulfill its obligations under this Contract. As soon as Contractor no longer needs to retain such Personally Identifiable Information in order to perform its duties under this Contract, Contractor will promptly return or destroy or erase all originals and copies of such Personally Identifiable Information.

d. **Return of Confidential Information.** On County's written request or upon expiration or termination of this Contract for any reason, Contractor will promptly: (a) return or destroy, at County's option, all originals and copies of all documents and materials it has received containing County's Confidential Information; (b) if return or destruction is not permissible under applicable law, continue to protect such information in accordance with the terms of this Contract; and (c) deliver or destroy, at County's option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by Contractor, prepared under its direction, or at its request, from the documents and materials referred to in Subsection 13(a), and provide a notarized written statement to County certifying that all documents and materials referred to in Subsections 13(a) and (b) have been delivered to County or destroyed, as requested by County.



	<p><b>STRATEGIC AND BUSINESS ALIGNMENT:</b></p> <p>The completion of the interfaces and administrative modification allows enables the ClaimsVision system to become operational while the CEO Risk Management Branch is completing a Request For Proposals for a new comprehensive claims management functions across all functional areas, including workers' compensation and liability claims. It also enable the ClaimsVision system to comply with the CIO's Strategic Directions by utilizing an industry standard database and a modern user interface.</p> <hr/> <p><b>PROJECT APPROACH:</b></p> <p>PCIS is migrating its GenIris platform to its ClaimsVision platform and will be adding these software modifications in parallel with the conversion.</p> <hr/> <p><b>ALTERNATIVES ANALYZED:</b></p> <p>None. The System is proprietary and hosted by PCIS. PCIS will make the programming changes to its proprietary System.</p>
<p><b>Technical Analysis</b></p>	<p><b>ANALYSIS OF PROPOSED IT SOLUTION:</b></p> <p>Provide analysis of proposed IT solution in terms of alignment with CIO Strategic Directions, as well as programmatic considerations, e.g. information security, information sharing opportunities, consideration for strategic sourcing, etc.</p>

<p><b>Financial Analysis</b></p>	<p><b>BUDGET:</b></p> <p>Contract costs</p> <p>Base Contract hosting costs:</p> <table border="0"> <tr> <td>Base Year 1 .....</td> <td>\$ 668,300</td> </tr> <tr> <td>Base Year 2 .....</td> <td>\$ 373,196</td> </tr> <tr> <td>Base Year 3 .....</td> <td>\$ 378,188</td> </tr> <tr> <td>Additional Services .....</td> <td>\$ 100,000</td> </tr> </table> <p>Ongoing annual hosting costs:</p> <table border="0"> <tr> <td>Option Year 1.....</td> <td>\$ 483,288</td> </tr> <tr> <td>Option Year 2.....</td> <td>\$ 438,484</td> </tr> <tr> <td>Option Year 3.....</td> <td>\$ 443,776</td> </tr> <tr> <td>Additional Services .....</td> <td>\$ 400,000</td> </tr> <tr> <td><b>Sub-total Contract Costs:</b></td> <td><b>\$ 3,285,232</b></td> </tr> </table> <p>Other County costs:</p> <p>One-time costs:</p> <table border="0"> <tr> <td>County staff (existing) .....</td> <td>\$ Enter amount.</td> </tr> <tr> <td>County staff (net new).....</td> <td>\$ Enter amount.</td> </tr> <tr> <td><b>Sub-total one-time County costs:</b></td> <td><b>\$ Enter amount.</b></td> </tr> </table> <p>Ongoing annual costs:</p> <table border="0"> <tr> <td>County staff (existing) .....</td> <td>\$ Enter amount.</td> </tr> <tr> <td>County staff (net new).....</td> <td>\$ Enter amount.</td> </tr> <tr> <td><b>Sub-total ongoing County costs:</b></td> <td><b>\$ Enter amount.</b></td> </tr> </table> <p><b>Total one-time costs:</b> \$ Enter amount.</p> <p><b>Total ongoing annual costs:</b> \$ Enter amount.</p> <p>Describe assumptions and financing methods, as applicable.</p>	Base Year 1 .....	\$ 668,300	Base Year 2 .....	\$ 373,196	Base Year 3 .....	\$ 378,188	Additional Services .....	\$ 100,000	Option Year 1.....	\$ 483,288	Option Year 2.....	\$ 438,484	Option Year 3.....	\$ 443,776	Additional Services .....	\$ 400,000	<b>Sub-total Contract Costs:</b>	<b>\$ 3,285,232</b>	County staff (existing) .....	\$ Enter amount.	County staff (net new).....	\$ Enter amount.	<b>Sub-total one-time County costs:</b>	<b>\$ Enter amount.</b>	County staff (existing) .....	\$ Enter amount.	County staff (net new).....	\$ Enter amount.	<b>Sub-total ongoing County costs:</b>	<b>\$ Enter amount.</b>
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<p><b>Risk Analysis</b></p>	<p><b>RISK MITIGATION:</b></p> <ol style="list-style-type: none"> <li>Describe risks (e.g. impact &amp; probability) and mitigation measure(s).</li> <li>Describe security and privacy concerns and safeguards.</li> </ol> <p>The Chief Information Security Officer (CISO) has reviewed the Agreement/Amendment/Contract and did not identify any IT security or privacy related issues.</p>																														
<p><b>CIO Approval</b></p>	<p><b>PREPARED BY:</b></p>  <p>_____</p> <p>Name, Sr. Associate CIO</p> <p>_____</p> <p>Date</p>																														

APPROVED:

\_\_\_\_\_  
Richard Sanchez, County CIO

\_\_\_\_\_  
Date

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



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  
Interim Chief Executive Officer

Board of Supervisors  
HILDA L. SOLIS  
First District  
MARK RIDLEY-THOMAS  
Second District  
SHEILA KUEHL  
Third District  
DON KNABE  
Fourth District  
MICHAEL D. ANTONOVICH  
Fifth District

**DRAFT**

April 28, 2015

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

Dear Supervisors:

**OFFICE OF THE ASSESSOR  
HALL OF ADMINISTRATION GENERAL IMPROVEMENTS PROJECT  
CAPITAL PROJECT NO. 87271  
(ALL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Approval of the recommended actions will find the proposed Hall of Administration General Improvements Project exempt from the California Environmental Quality Act and approve the proposed Project.

**IT IS RECOMMENDED THAT THE BOARD**

1. Find that the recommended actions, including the proposed installation of an electronic key card system at specified Assessor Offices, and refurbishments in various offices in Hall of Administration are exempt from the California Environmental Quality Act for the reasons stated in this letter and in the record of the proposed project.
2. Approve the proposed Hall of Administration General Improvements Project, Capital Project No. 87271, and approve the total Project budget of \$2,146,000 funded by net County cost.

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

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Intra-County Correspondence Sent Electronically Only***

3. Authorize the Assessor and the Director of Internal Services Department, or their designees, to carry out the capital project using a previously Board-approved Job Order Contract and ISD Crafts Services staff.

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

Approval of the recommended actions will authorize the Internal Services Department (ISD) to deliver the proposed Hall of Administration General Improvements Project (Project) using ISD Crafts Services staff and Board-approved Job Order Contract (JOC).

The Office of the Assessor identified a need to complete security upgrades at its offices located in the Hall of Administration, Lancaster, Sylmar, Signal Hill, South El Monte, and Culver City. The current security system is outdated and easily breached. The proposed upgrades will provide much needed protection and safety of County employees, office equipment and taxpayers' information.

Additionally, the proposed Project will upgrade the training room in Hall of Administration (B-85). The upgrades will make the training room Americans with Disability Act (ADA) code compliant, provide appropriate electrical and data system to support approximate forty training work stations, purchase of the furniture, replace the ceiling tiles, upgrade the lighting in accordance with Title 24 code requirements, restructure and remodel instructors' offices and support space, and hazardous material abatement.

If there are sufficient funds remaining at the end of security upgrades and refurbishment to the training room, ISD will proceed with the refurbishments to Human Resources (HR) and Information Technology (IT) rooms located in Hall of Administration. The scope will include addition of a kitchenette in the HR area, restructuring existing space to allow for additional offices; and re-carpeting of the IT room.

The proposed Project is scheduled to be completed by August 2016.

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

The proposed Project supports County Strategic Plan Goals of Operational Effectiveness/Fiscal Sustainability (Goal 1) by providing employees with safe and efficient working space.

### **FISCAL IMPACT/FINANCING**

The total estimated proposed Project cost is \$2,146,000, including design, plan check, construction, furniture and equipment, civic art, telecommunications, and County services. The proposed Project schedule and Budget Summary are detailed in Attachment A.

The proposed Project is fully funded with net County cost, resulted from prior year Departmental cost savings. Sufficient appropriation is available in the FY 2014-15 Capital Projects/Refurbishment Assessor Hall of Administration General Improvements Project (Capital Project No. 87271) to fund the proposed Project.

#### Operating Budget Impact

There is no impact to the Department's FY 2014-15 operating budget as all funds associated with this project are appropriated in Capital Projects No. 87271.

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

Pursuant to the Board's Civic Art Policy adopted December 7, 2004, and revised on December 15, 2009, the proposed Project budget includes 1 percent of the design and construction costs to be allocated to the Civic Art Fund.

### **ENVIRONMENTAL DOCUMENTATION**

The proposed actions are categorically exempt from CEQA. The activities consist of installation of a keycard security system at existing facilities and refurbishments in various office spaces. Therefore, these activities are within certain classes of projects that have been determined not to have a significant effect on the environment in that it meets the criteria of Section 15301 of the State CEQA Guidelines as the Project consists of a minor alteration to an existing public facility based on the project records and does not involve expansion of an existing use. These actions are also exempt under Class 1 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. In addition, there are no cumulative impacts, unusual circumstance or other limiting factors that would make the exemption inapplicable based on the Project records.

Upon the Board's approval of the recommended actions, ISD will file a Notice of Exemption with the Registrar-Recorder/County Clerk in accordance with Section 15062 of the CEQA Guidelines.

### **CONTRACTING PROCESS**

Plans and specifications of the proposed refurbishments will be implemented by an ISD as-needed architectural and engineering firm. Construction of the security upgrades will be implemented using ISD Crafts Services staff and the refurbishments to various Assessor's office space by Board-approved JOC administered by ISD.

The contract awarded to JOC contractor contains terms and conditions supporting your Board's ordinances, policies, and programs, including but not limited to: County's Greater Avenues for Independence and General Relief Opportunities for Work Programs (GAIN/GROW), Board Policy No. 5.050; Contract Language to Assist in Placement of Displaced County Workers, Board Policy No. 5.110; Reporting of Improper Solicitations, Board Policy No. 5.060; Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law), Board Policy No. 5.135; Contractor Employee Jury Service Program, Los Angeles County Code, Chapter 2.203; Notice to Employees Regarding the Federal Earned Income Credit (Federal Income Tax Law, Internal Revenue Service Notice 1015); Contractor responsibility and Debarment, Los Angeles County Code, Chapter 2.202; the Los Angeles County's Child Support Compliance Program, Los Angeles County Code, Chapter 2.200; and the standard Board-directed clauses that provide for contract termination and renegotiation.

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

Approval of recommended actions will have no impact on current County services or projects. The key card system will be upgraded during normal business hours with no interruption of public service. The refurbishment to the training area will be implemented during the four months break between the training sessions.

**CONCLUSION**

Please return one adopted copy of this letter to the Chief Executive Office, Capital Projects Division; the Office of the Assessor, and Internal Services Department.

Respectfully submitted,

Sachi A. Hamai  
Interim Chief Executive Officer

SAH:TT:BMB:  
MS:AC:rp

Attachment

c: Executive Office, Board of Supervisors  
Arts Commission

**ATTACHMENT A**

**OFFICE OF THE ASSESSOR  
HALL OF ADMINISTRATION GENERAL IMPROVEMENTS PROJECT  
CAPITAL PROJECT NO. 87271**

**I. PROJECT SCHEDULE**

<b>Project Activity</b>	<b>Scheduled Completion Date</b>
Key Card	
Hall of Administration	
Culver City Office	
Lancaster Office	
Signal Hill Office	
South El Monte Office	
Sylmar Office	
Training Room B-85	02/28/2016

**II. PROJECT BUDGET SUMMARY**

<b>Budget Category</b>		<b>Project Budget</b>	
Land Acquisition		B-85 and Key Card	
Construction			
	Job Order Contract (B-85)	\$	650,000
	Low Bid Construction Contract		
	Change Orders/Unforeseen @15% Unforeseen Conditions	\$	85,000
	Departmental Crafts (B-85)	\$	50,000
	Departmental Crafts (Key Card)	\$	687,000
	Civic Arts		
	ITS Telecom.	\$	60,000
	ISD Labor		
	Contingency	\$	30,000
	Gordian Group	\$	13,100
	Civic Arts	\$	15,800
	Subtotal	\$	1,590,900
Programming/Development			
Plans and Specifications		\$	130,000
	Plans and Specifications		
	A/E Supplemental Agreements		
	A/E Reimbursable Costs		
	Subtotal	\$	130,000
Consultant Services			
	Deputy Inspection		
	Site Planning		
	Hazardous Materials Testing/Hygienist	\$	20,000
	Geotech/Soils Test		
	Material Testing		
	Cost Estimating		
	Topographic Surveys		
	Construction Management		
	Construction Administration		
	Environmental - NOE fee	\$	100
	Move Management		
	Equipment Planning		
	Legal		
	Contract/Change Order		
	Other - Air Balance		
	Subtotal	\$	20,100

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