



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

WILLIAM T FUJIOKA
Chief Executive Officer

DATE: May 27, 2010
TIME: 12:30 p.m.
LOCATION: Kenneth Hahn Hall of Administration, Room 830

AGENDA

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

1. Call to order – Ellen Sandt
 - A) **Board Letter – Process Improvement Services Master Agreement**
CEO – Martin Zimmerman or designee
 - B) **Board Letter – Approve Intergovernmental Contract with the California Energy Commission to Enhance and Expand the Los Angeles County Energy Program**
ISD – Tom Tindall or designee
2. Public Comment
3. Adjournment

June 15, 2010

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:

**RECOMMENDATION TO AWARD MASTER AGREEMENT FOR AS-NEEDED
PROCESS IMPROVEMENT SERVICES**

(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

This is a recommendation to establish a non-exclusive Process Improvement Services Master Agreement to be administered by the Chief Executive Office. The Master Agreement will provide as-needed process improvement consulting services to County departments, enabling them to enhance efficiency and productivity, reduce costs, and enhance services to our constituents.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Chief Executive Officer to sign a non-exclusive Process Improvement Services Master Agreement with each of the 12 firms listed on Attachment I, in a format substantially similar to the sample Agreement provided in Attachment II, which has been approved as to form by County Counsel, effective upon Board approval through June 30, 2017.
2. Authorize the Chief Executive Officer to sign a Process Improvement Services Master Agreement with additional firms during the ensuing seven-year period that meet all minimum requirements and qualifications as outlined in the initial Request for Statement of Qualifications dated January 15, 2010.
3. Authorize the County's Purchasing Agent to execute Purchase Orders for services for Process Improvement Services Master Agreement firms, as requested and appropriately documented by individual departments with Chief Executive Office approval, up to the amount budgeted by the requesting department for such services.

4. Authorize the Chief Executive Officer to execute amendments to the Process Improvement Services Master Agreement for any change that does not materially affect the scope of work or any other term or condition included in this agreement, and as long as the amendments do not exceed the maximum term for the Master Agreement, are consistent with the original Board-improved intent of the Master Agreement, and are in conformance with any mandatory or otherwise Board-ordered contract provisions.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

In an effort to provide more efficient and cost-effective services, the County must look for new ways to streamline processes and reduce operating expenses, while maintaining the same levels of service to its constituents. In May of 2009, the Efficiency Initiative was launched by the Chief Executive Officer, instructing each County department to form an efficiency team, with the goals of identifying ways to save money, streamline processes, and reduce operating costs. While the Efficiency Initiative has resulted in over \$145 million in annual savings for the County, opportunities for further process improvements and elimination of waste should be continually explored.

Establishment of a Process Improvement Services Master Agreement (Master Agreement) with experienced firms will allow departments to achieve greater levels of efficiency, reduce or eliminate redundant processes, decrease service response times, and improve employee morale based on best practices and tracked metrics.

Implementation of Strategic Plan Goals

The recommended actions support County's Strategic Plan Goal One of Operational Effectiveness. As described above, the services proposed within the Master Agreement would allow departments to maximize the effectiveness of their processes, structure, and operations to support timely delivery of customer-oriented and efficient public services. The Master Agreement process will also allow departments to expedite the solicitation process for these services.

FISCAL IMPACT/FINANCING

The Master Agreement does not include any appropriation. Departments will fund any services acquired from a Master Agreement consultant within the department's approved budget. As the administrator of the Master Agreement, the Chief Executive Office (CEO) will confirm and validate that funding is available before the individual Work Order is executed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Master Agreement has been approved as to form by County Counsel and includes all of the Board's required contract provisions including those pertaining to compliance with the County's Child Support Program, consideration of GAIN participants for employment, adherence to County's Defaulted Property Tax Reduction Program, and Jury Service requirements. The proposed Master Agreement is not subject to the County's Living Wage Program.

Program Administration

The CEO will act as the County's Master Agreement Program Administrator and will provide overall direction and oversight for the program. The CEO will maintain copies of the Statement of Qualifications (SOQ) submitted by Master Agreement firms for departmental staff to review when considering a solicitation and issuance of a Request for Services.

With your Board's approval, the CEO will accept and evaluate qualifications from additional firms that request their inclusion on the Master Agreement List. Such firms may be added to the Master Agreement if they meet the initial Request for Statement of Qualifications' (RFSQ) requirements. Your Board and County departments will be advised when additional firms are added to the list. Information about the Master Agreement, the requirements and the opportunity to submit qualifications will be posted on the County's Website.

County Departments' Utilization of the Master Agreement

The proposed Master Agreement provides a non-exclusive list of pre-qualified firms that have demonstrated relevant experience and staff capacity to provide the requested services. The list of firms will be a resource to departments and thereby streamline their process for selecting contract assistance, if desired. Departments interested in contracting with a Master Agreement firm will issue a Request for Services (RFS) to at least three Master Agreement firms. The RFS will describe the specific departmental project in detail, set forth the submission requirements and the proposal evaluation criteria. Departments will evaluate responses, select the firm most appropriate for the department's needs, and recommend the Work Order for CEO approval. If the Work Order exceeds \$300,000, departments shall be required to provide written notice to your Board, at least one week prior to submission of recommended Master Agreement firm to the CEO. Upon CEO approval, the County's Purchasing Agent will issue the

corresponding Purchase Order. No work is guaranteed to any Master Agreement firm based on the award of a Master Agreement.

Each department that decides to contract with a Master Agreement firm will designate a Project Director. The Project Director will be responsible for 1) issuing an RFS to at least three Master Agreement firms indicated above, requesting submission of a proposal to provide specified services; 2) managing the proposal evaluation and contractor selection process, including issuance of a requisition to the Purchasing Agent for a Purchase Order for the services; 3) monitoring the contractor's performance and progress on the project; 4) reviewing and approving project tasks, deliverables, and invoices, and; 5) providing direction to the contractor in the areas relating to County policy, information requirements and procedural requirements.

Each contractor will provide services as an independent contractor and will be responsible for the means and methods of performing the specialized services and accomplishing the results and deliverables requested by the County pursuant to the Master Agreement.

The Project Director will provide performance reports to the Master Agreement Program Administrator, as appropriate. When contract services have been completed, the Project Director will complete and submit a Services Evaluation form to the Master Agreement Program Administrator. These forms will be kept on file for other departments to view in considering new solicitations.

CONTRACTING PROCESS

An RFSQ was issued on January 15, 2010 soliciting SOQs from firms with demonstrated experience providing consulting in the area of Process Improvement. Minimum requirements were detailed for submission of SOQ, including: 1) a summary of relevant background information about the firm including the number of years of experience providing Process Improvement services; 2) a detailed description of the firm's formal Process Improvement methodology; 3) at least three examples of performance metrics and/or benchmarks developed or utilized by the firm to assist County or other public entities in evaluating its performance before and after engagement.

The solicitation was posted on the County's Website and e-mailed to 65 firms. A total of 33 SOQs were received by the February 16, 2010 due date. CEO staff reviewed all SOQs to qualify firms, and we are recommending awarding a Master Agreement to 12 of the 33 firms that submitted SOQs. The remaining firms did not meet minimum

The Honorable Board of Supervisors
June 15, 2010
Page 5

requirements, did not provide required documentation, or declined to accept standard County terms and conditions.

Upon Board approval, a master agreement substantially similar to Attachment II, will be mailed to each approved firm for signature. Once the agreements have been fully executed, notice will be provided to all departments of the availability of the Master Agreement list and the procedures for its use.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Establishment of a Master Agreement List of pre-qualified firms to provide as-needed Process Improvement services will simplify the solicitation and contracting process for those departments that choose to use consultant services to streamline processes and reduce costs. Approval of these actions will enable the departments to perform at a more efficient and effective level, and provide better service to our constituents.

Respectfully submitted,

WILLIAM T FUJIOKA
Chief Executive Officer

WTF:BC:MKZ
FC:pg

Attachments (2)

c: All Department Heads



Tom Tindall
Director

COUNTY OF LOS ANGELES
Internal Services Department
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DRAFT – 5-24-10

June 15, 2010

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:

**APPROVE INTERGOVERNMENTAL CONTRACT WITH THE
CALIFORNIA ENERGY COMMISSION TO ENHANCE AND EXPAND
THE LOS ANGELES COUNTY ENERGY PROGRAM
(3 VOTES) (ALL DISTRICTS)**

SUBJECT

Request approval to enter into an intergovernmental contract with the California Energy Commission (CEC) to enhance the implementation of the Los Angeles County Energy Program (LACEP) throughout the County and in cities within the County that will participate in LACEP.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of Internal Services Department (ISD) or his designee to execute an intergovernmental contract with the CEC for \$8 million in Energy Efficiency and Conservation Block Grant (EECBG) funds to implement residential energy efficiency retrofit projects throughout the County effective July 1, 2010 through June 2012.
2. Delegate authority to the Director of ISD or his designee to approve any required time extensions, modifications, or amendments to the contract, and execute all required documents with the CEC.
3. Find that approval of these actions is categorically exempt pursuant to the provisions of the California Environmental Quality Act (CEQA).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

In October 2009, your Board accepted the County's allocation of \$15.4 million in formula-allocated Energy Efficiency and Conservation Block Grant (EECBG) funding received under the American Recovery and Reinvestment Act (ARRA). The County has identified approximately \$12.2 million of this EECBG funding to support the development, design, administration and implementation of the LACEP program for County unincorporated areas. Incorporated cities within the County will have the opportunity to join LACEP through the adoption of a resolution by their respective city councils.

On May 25, 2010, your Board held a public hearing and approved adoption of the LACEP to provide financing to qualified property owners within the County for the installation of distributed generation renewable energy projects and energy and water efficiency improvements to their respective properties. Also on May 25, 2010, your Board accepted \$30 million in competitive EECBG grant funding from the United States Department of Energy (DOE). As the lead agency in California, Los Angeles County will manage the overall \$30 million DOE grant, which includes approximately \$14 million to support the LACEP, with the remainder of the grant designated for other State-wide sub-awardees.

Your Board's approval of the intergovernmental contract with the CEC will provide additional resources to support widespread implementation of the LACEP throughout the County. With this funding, the CEC seeks to expand the participation of property owners in LACEP by allowing ISD to promote energy efficiency retrofits, conduct training for contractors, and provide broad marketing and outreach within incorporated cities that participate in LACEP. This funding will supplement the formula-allocated EECBG funds, which were limited for use within only County unincorporated areas.

Activities under this contract will be consistent with the LACEP activities described by the County in the December 2009 State Energy Program grant application. This includes specific initiatives such as:

- Support the development of a large-scale Property Assessed Clean Energy (PACE) program to increase the number of buildings that implement energy efficiency measures;
- Increase the delivery capacity of building professionals for energy efficiency projects through self-sustaining workforce development programs;
- Drive consumer demand for home energy retrofits through marketing and outreach strategies that leverage existing community and private-sector distribution channels and collaborate with national, State, and utility retrofit programs.

By the end of 2012, LACEP seeks to achieve energy retrofits for 15,000 single-family homes in unincorporated areas of the County, with the potential to add \$150 million to the local economy. LACEP also intends to create an estimated 1,600 home energy retrofit jobs and as many as 1,000 ancillary jobs in fields such as workforce development, local manufacturing, product distribution, and research and development. These improvements to the local economy are in addition to the environmental objectives associated with LACEP and the goal of reducing the County's annual greenhouse gas emissions (attributable to its existing housing stock) by 20,000 tons of carbon dioxide annually.

As cities within the County pass resolutions to join LACEP, the number of retrofits implemented, jobs created, dollars added to the economy, and other environmental benefits should increase dramatically. LACEP has the potential to become the biggest program of its kind in the United States.

Implementation of Strategic Plan Goals

These actions support Goal 1, Operational Effectiveness, by obtaining external funding to promote environmentally responsible practices. These actions also support Goal 3, Community and Municipal Services, by providing a program that promotes energy efficiency and conservation, and enhances health and sustainable practices in the County.

FISCAL IMPACT/FINANCING

Due to the recent receipt of this award, ISD's Fiscal Year 2010-11 Final Changes budget request does not reflect appropriations to implement these CEC-funded activities. ISD will request the necessary appropriation authority from your Board in the Fiscal Year 2010-11 Supplemental Budget Request. Requests for future fiscal year activities will be submitted with the annual budget request.

Under the terms of the contract, ISD will be compensated for allowable administrative costs of up to \$400,000 to manage the contract and implement programs. There will be no impact to the County General Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In December 2009, ISD submitted a grant application package to the CEC for the competitive State Energy Program grant program (RFP # 400-09-403). The application requested \$12 million to implement a comprehensive energy efficiency retrofit program (the LACEP) Countywide. Under the CEC's evaluation process for this competitive grant, the County was notified that this application would not be funded. Subsequently, in March of 2010, ISD and the CEO Intergovernmental Relations Office staff in Sacramento met with CEC President Karen Douglas, Commissioner Anthony Eggert, and CEC staff to discuss the County's program, application and the CEC evaluation process.

On April 22, 2010, ISD was notified by the CEC of their intention to award an intergovernmental contract through the Department of General Services in the amount of \$8 million to the County to expand the LACEP within those cities that adopt a resolution to participate in the program. The intergovernmental contract is not part of the State Energy Program (SEP) grants, but would be awarded under a sole source statutory exemption using non-SEP EECBG funds. Under the contract, ISD will leverage and augment existing funding awarded under the formulated-allocated EECBG program (that can only be spent in County unincorporated areas) by promoting and implementing LACEP within all incorporated cities that have opted into the program. Per the CEC requirements, all projects must be completed by June 2012.

The terms and conditions of this award are substantially similar to the terms and conditions of Attachment I, and have been approved as to form by County Counsel (Attachment I).

ENVIRONMENTAL DOCUMENTATION

The project meets the criteria set forth in Section 15308 of the State CEQA Guidelines and Class 8 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G, in that it is an action taken by a regulatory agency, as authorized by state law, to assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment.

The project is within a class of projects that has been determined not to have a significant effect on the environment. In addition, there are no cumulative impacts, unusual circumstances, or other limiting factors that would make the exemption inapplicable based on the project records. Upon approval by your Board, ISD will file a Notice of Exemption with the County Clerk in accordance with Section 15062 of the State CEQA Guidelines.

CONTRACTING PROCESS

This sole source intergovernmental contract will be negotiated by ISD and CEC to define the scope of work and deliverables for the LACEP.

IMPACT ON CURRENT SERVICES OR PROJECTS

Approval of these actions will facilitate widespread implementation of the LACEP to reduce greenhouse gases, reduce total energy use and improve energy efficiency throughout the County in a cohesive and comprehensive manner. Expanding the LACEP will help the State achieve the goal of implementing programs that provide substantial, sustainable, and measurable energy savings, job creation and economic stimulus benefits.

The Honorable Board of Supervisors
June 15, 2010
Page 5

CONCLUSION

The Executive Office of the Board of Supervisors is requested to return one stamped copy of the approved Board letter to the Director of ISD.

Respectfully submitted,

Tom Tindall
Director

TT:HC:MB
Attachments

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