



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

WILLIAM T FUJIOKA
Chief Executive Officer

DATE: June 19, 2014
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) **Board Letter – CONTRACT BETWEEN THE COUNTY OF LOS ANGELES AND PCG TECHNOLOGY CONSULTING FOR CONSULTING SERVICES**
PD/CIO – Ronald L. Brown and Richard Sanchez or designee(s)
 - B) **Board Letter – REQUEST TO APPROVE AMENDMENT NUMBER ONE TO CONTRACT NUMBER 77253 WITH INTERNATIONAL BUSINESS MACHINES CORPORATION AND FOR DELEGATED AUTHORITY TO EXERCISE RENEWAL OPTIONS**
DCFS/CIO – Philip L. Browning and Richard Sanchez or designee(s)
 - C) **Property Tax Legacy Systems**
A-C/TTC – John Naimo and Mark Saladino or designee(s)
 - D) **Risk Management Presentation**
CoCo – John Krattli or designee
 - E) **AMS and Long-Term Leave Reporting**
DHR – Lisa Garrett or designee

2. Public Comment

NOTICE OF CLOSED SESSION

CS-1 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

(Paragraph (2) of subdivision (d) of Government Code Section 54956.9)

County Counsel requests authorization to file a lawsuit against Michael D. Drobot, Sr., Michael R. Drobot, Jr., Pacific Hospital of Long Beach, International Implants, LLC and others seeking restitution and damages for fraud and conspiracy to commit fraud related to an illegal kickback scheme, resulting in the significant overpayment of the cost of surgeries by the County in its workers' compensation program.

3. Adjournment

July 1, 2014

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:

**CONTRACT BETWEEN THE COUNTY OF LOS ANGELES AND PCG
TECHNOLOGY CONSULTING FOR CONSULTING SERVICES
(ALL DISTRICTS) (3-VOTES)**

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

SUBJECT

Approval of a Contract between the County of Los Angeles on behalf of the Public Defender and PCG Technology Consulting for Consulting Services.

IT IS RECOMMENDED THAT YOUR BOARD

1. Approve and authorize the Public Defender to finalize and execute a contract with PCG Technology Consulting for consulting services substantially similar to the attached contract, consisting of four phases over a three year period with up to one additional one-year option by the County.
2. Approve and authorize the amount of \$252,785 for Phase I consulting services estimated to be completed in six months. Payment for subsequent phases will be dependent on the results of Phase I and negotiated by the parties at the contract rates and will require future Board approval.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended contract is to provide the Los Angeles County Public Defender with Case Management System consulting services to assist the Department in defining its functional and technical requirements, analyzing alternative approaches, recommending the Case Management System approach that best meets the Department's requirements, and assisting with the acquisition, development and implementation of the agreed-upon Case Management System solution.

The scope of work in providing Public Defender Case Management System consulting services includes but is not limited to:

Phase I – This work involves Analysis and Recommendations. PCG Technology Consulting will confirm and document Case Management System functional and technical requirements; identify and analyze alternative options for meeting the Department’s Case Management System requirements (potential alternatives include, collaborating with either County or State justice partners to modify a current system, or acquiring and modifying a Commercial Off the Shelf [COTS] Case Management System) and recommend the alternative that best meets the Department’s requirements.

Phase II work involves Bidding and Acquisition. The Phase II scope of work will depend on the results of Phase I. Depending on the recommendations and decisions resulting from Phase I, Phase II will include assistance to either (a) develop a comprehensive Request for Proposals (RFP) for a COTS Case Management System and provide selection and contract negotiations assistance or (b) define the tasks required to modify and implement a County or State justice partners system and to acquire the technical resources to perform the modification and implementation.

Upon completion of Phases I and II, the Department will elect whether to extend Consultant contract services to Phases III and IV. If elected by the Department, Phase III work will consist of Case Management System development and Phase IV work will consist of office-wide Case Management System implementation.

Any work beyond Phase I will require future negotiations by the parties and Board approval.

The overall objective of the Case Management System is to improve Department operational efficiency and effectiveness by improving the ability to measure workload, allocate staff resources and provide staff caseload management tools to best achieve the Department’s mission.

Implementation of Strategic Plan Goals

The proposed Consulting Contract between the County of Los Angeles and PCG Technology Consulting supports Strategic Plan Goals No. 1, Operational Effectiveness, Goal No. 2, Fiscal Responsibility, and Goal No. 3, Integrated Service Delivery, by providing expert advice to the Public Defender for the purpose of developing a Public Defender Case Management System that will result in responsive, efficient and high quality indigent legal criminal defense services. The Public Defender’s Case Management System will also facilitate data exchanges between the Public Defender and all of the justice partners.

FISCAL IMPACT/FINANCING

The County obligation for Phase I under the proposed Contract is \$252,785. Funding for Phase I of this contract will be provided by the Public Defender. Funding for future phases will be

identified and sought through the Chief Executive Office and any other appropriate County funding sources.

No new net County funds are being requested for this Contract. There are no other fiscal impacts.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

This is not a Proposition A Contract, since approval of this Contract will not displace County employees, and the Services offered under this Contract currently cannot be performed by the individual County Department due to the need for specialized skills.

The Contract contains all the latest Board required and policy driven provisions, such as Consideration of GAIN/GROW Program Participants for Employment, Compliance with Jury Service Program, Safely Surrendered Baby Law, Assignment and Delegation and Budget Reductions. Further, the Public Defender will not require PCG Technology Consulting to perform services in excess of the Board approved contract sum, scope of work and/or contract dates. PCG Technology Consulting has accepted all the terms and conditions included in the proposed contract.

The Chief Information Office (CIO) recommends approval of this Contract (CIO Analysis attached). County Counsel has reviewed and approved this Contract as to form.

CONTRACTING PROCESS

On August 2, 2013, the County released an RFP for Public Defender Case Management System consulting services. Notice of the RFP was posted on the County's website at <http://www.lacounty.gov>.

Six proposals were received by the closing date of October 2, 2013. The proposals were evaluated and PCG Technology Consulting received the highest score and was selected for the following reasons: (1) PCG Technology Consulting presented the most detailed and comprehensive solution for Phases I and II as well as Optional Services in Phases III and IV; (2) the consulting team proposed by PCG Technology Consulting was the most experienced in case management systems for criminal defense and justice community partner collaborations; and (3) the hourly rate for PCG Technology Consulting was the second lowest rate of all vendor proposals. The combination of these factors represents the best value and greatest opportunity for project success. The Public Defender interviewed PCG Technology Consulting staff on December 16, 2013.

There were three instances where proposers requested debriefings regarding their proposals and those debriefings were conducted. One proposer submitted a notice of intent to seek contractor selection review. The relevant information was provided to the proposer and it took no further action within the specified deadline. PCG Technology Consulting submitted a comprehensive

and flexible consulting services plan. None of the other vendors, including those who requested debriefings, had as much subject matter expertise and project management skills sought by the RFP and proposed by PCG Technology Consulting.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The successful completion of this contract will provide the basis for the development and implementation of a Public Defender Case Management System.

CONCLUSION

Upon your Board's approval, it is requested that the Executive Officer, Clerk of the Board of Supervisors, return two (2) adopted stamped copies of the Board letter to: Los Angeles County Public Defender, Attention Kelly Emling, Chief Deputy, 210 West Temple Street, 19th Floor, Los Angeles, California 90012.

Respectfully submitted,

Ronald L. Brown
Public Defender

RLB: jr

Attachments

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

FACT SHEET

INTERNATIONAL BUSINESS MACHINES (IBM) CWS\CMS MOVES\ADDS\CHANGES

BACKGROUND:

IBM services are needed to provide continuing support of the ASCII daily download to the data warehouse, known as County Access to Data (CAD), and for Moves, Adds, and Changes (MAC or MAGs) to the Child Welfare Services/Case Management System (CWS/CMS) servers and other key infrastructure components.

The Los Angeles County Department of Children and Family Services (DCFS) received State approval in their letter dated June 21, 2010, to procure contract services from International Business Machines (IBM) Corporation beginning April 1, 2010 and ending on March 31, 2011 with three (3) one-year options to extend, and one (1) six month option to extend. To continue contract services from IBM, DCFS is requesting an additional five (5) extension periods from 10/1/14 through 11/30/19. The term of the contract may be extended by DCFS' Director, so long as the Contractor remains the vendor to the State of California under the State Agreement or any successor agreement thereto. Contract approval is necessary to provide continued CWS/CMS accessibility to DCFS staff and other Los Angeles County Departments serving children and families.

JUSTIFICATION:

The CWS/CMS System periodically requires changes to the data and database structure that is affected by either new software that requires design changes, or new County Policies and Procedures. These changes must be systematically implemented through a validation process and regression testing, as not to affect other counties' computer applications. IBM provides the staffing to coordinate the CAD solution. In collaboration with DCFS, IBM provides the ongoing service support of the transfer data process, troubleshoots, and resolves deficiencies that could affect the network infrastructure, and tests and validates changes. In addition, IBM provides database changes by furnishing the Data Definition Language (DOL) scripts and associated documentation to ensure the changes made to the CWS/CMS database are properly reflected in the County's CAD database for data integrity purposes.

FACT SHEET

FISCAL IMPACT:

Items Description	Cost
IBM Services	
IBM Services -Initial request 04/01/2010-03/31/2011	\$ 150,000
IBM Services 1st one-year option to extend 04/01/2011-03/31/2012	\$ 150,000
IBM Services 2nd one-year option to extend 04/01/2012-03/31/2013	\$ 150,000
IBM Services 3rd one-year option to extend 04/01/2013- 03/31/2014	\$ 150,000
IBM Services 4th six-month option to extend 04/01/2014- 09/30/2014	\$ 75,000
IBM Services 5th one-year option to extend 10/01/2014- 11/30/2015	\$ 175,000
IBM Services 5th one-year option to extend 12/01/2015 - 11/30/2016	\$ 150,000
IBM Services 7th one-year option to extend 12/01/2016 - 11/30/2017	\$ 150,000
IBM Services 8th one-year option to extend 12/01/2017- 11/30/2018	\$ 150,000
IBM Services 9th one-year option to extend 12/01/2018 - 11/30/2019	\$ 150,000
Total Cost of Services	\$1,450,000



**County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

425 Shatto Place, Los Angeles, California 90020
(213) 351-5602

PHILIP L. BROWNING
Director

FESIA A. DAVENPORT
Chief Deputy Director

Board of Supervisors

GLORIA MOLINA

First District

MARK RIDLEY-THOMAS

Second District

ZEV YAROSLAVSKY

Third District

DON KNABE

Fourth District

MICHAEL D. ANTONOVICH

Fifth District

July 8, 2014

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

Dear Supervisors:

**REQUEST TO APPROVE AMENDMENT NUMBER ONE TO
CONTRACT NUMBER 77253 WITH INTERNATIONAL BUSINESS MACHINES
CORPORATION AND FOR DELEGATED AUTHORITY TO EXERCISE RENEWAL
OPTIONS
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

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

SUBJECT

The Department of Children and Family Services (DCFS) seeks to extend Contract Number 77253 with International Business Machines Corporation (IBM) for 14 months with the option to extend for four one-year additional periods. The extension will allow DCFS to continue to obtain technical support to maintain the California State Child Welfare Services/Case Management System (CWS/CMS) and will align the contract term with the State of California Office of Systems Integration's (OSI) Agreement with IBM.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and instruct the Chairman to sign the attached Amendment Number One to Contract Number 77253, to extend the term of the contract for 14 months, effective October 1, 2014, through November 30, 2015, with an option to extend for up to four one-year renewal periods through November 30, 2019. The total cost to extend this contract for the period of October 1, 2014, through November 30, 2015, is \$175,000, to be financed

using 46 percent Federal Title IV-E funds, 39 percent State funds, and 15 percent net County cost funds. The total cost of each option one-year renewal period is

\$150,000, to be financed using 46 percent Federal Title IV-E funds, 39 percent State funds, and 15 percent net County cost funds.

2. Delegate authority to the Director, or his designee, to exercise up to four one-year renewal option periods by written notice to extend Contract Number 77253, provided that: (a) IBM remains the CWS/CMS vendor to the State of California (State) under the State agreement for CWS/CMS services; (b) sufficient funding is available and appropriated; (c) prior approvals by County Counsel and Chief Information Officer (CIO) are obtained; and (d) the DCFS Director notifies in writing within 10 working days the Board of Supervisors and the Chief Executive Office (CEO) that the renewal option has been exercised. The cost of this amendment if all option periods are exercised is \$775,000, to be financed using 46 percent Federal Title IV-E funds, 39 percent State funds, and 15 percent net County cost funds.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The current contract with IBM will expire on September 30, 2014. The recommended actions to extend the contract and delegate authority to extend the contract for an additional four years will allow the County to continue to contract with IBM to provide uninterrupted technical support for the CWS/CMS for DCFS. The initial extension period of this amendment is October 1, 2014, through November 30, 2015. The four renewal extension periods are December 1, 2015, through November 30, 2016; December 1, 2016, through November 30, 2017; December 1, 2017, through November 30, 2018; and December 1, 2018, through November 30, 2019.

IBM is the only vendor who is permitted by the State and federal government to perform services on the mandated statewide CWS/CMS. The CWS/CMS periodically requires changes to the data and database structure due to new software that requires design changes or due to new County Policies and Procedures. In collaboration with DCFS, IBM provides the ongoing service support of the transfer data process, troubleshoots, and resolves deficiencies that could affect the network infrastructure; and tests and validates changes. In addition, IBM provides database changes by furnishing the DATA Definition Language (DDL) scripts and associated documentation to ensure the changes made to the CWS/CMS database are properly reflected in the County to Access Data (CAD) database for data integrity purposes. Extending this contract will ensure ongoing access to and use of CWS/CMS data in Los Angeles County Datamart. Without approval of these recommendations, access to CWS/CMS data in Los Angeles County Datamart will be severely hampered and the ability to serve the needs of the public and protect the children of Los Angeles County will be diminished.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the principles of the Countywide Strategic Plan Goal No. 3, Integrated Services Delivery: Case management services in support of children and youth protection programs.

FISCAL IMPACT/FINANCING

The Maximum Contract Sum for the extension period of October 1, 2014, through November 30, 2015, is \$175,000 and will be financed using 46 percent (\$80,500) federal revenue, 39 percent (\$68,250) State revenue, and 15 percent (\$26,250) net County cost. The Maximum Annual Contract Sum for each option one-year renewal period is \$150,000. The total cost of this amendment if all option periods are exercised is \$775,000. Sufficient funding is included in the Department's Fiscal Year (FY) 2014-15 Adopted Budget, and will be included for subsequent fiscal years in the Department's future budget requests.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under the California Welfare Institutions Code (WIC) Section 16501, the State was required to develop and use a statewide system to be used by counties to support child welfare operations. The CWS/CMS system was made possible through federal funds (45 CFR 1355.53) and is currently being extensively used by social workers in all California counties. Based on a 1992 State agreement, IBM is authorized to move, add, or change network components (servers and printers); certify workstation software images; and to provide daily downloads of data for counties in California, thus ensuring that the integrity of CWS/CMS is maintained by a single vendor who is entirely responsible for maintaining contractual system performance and service levels. If a county were to procure these services from another vendor, it could imperil the State's ability to ensure that CWS/CMS meets statutory requirements.

On March 16, 2010, your Board approved a sole source contract with IBM for Moves, Adds, and Changes (MAC)/CAD services, which are performed under the current Contract Number 77253. The Contract expires on September 30, 2014, and no changes were made to the Contract. The Chief Information Officer (CIO) recommends approval of extending this Contract (see attached CIO Analysis).

The Chief Executive Office and County Counsel have reviewed the Board letter and the attached amendment. The amendment was approved as to form by County Counsel.

CONTRACTING PROCESS

On March 21, 2014, the California Department of Social Services' (CDSS) approved DCFS' Advance Planning Document (APD) for contract number 77253 for 12 months from October 1, 2014, through September 30, 2015. DCFS will obtain CDSS approval of its APD on an annual basis during the renewal process. No additional contracting process is required. IBM is the only vendor who is permitted by the State and federal government to perform services on the mandated statewide CWS/CMS.

CONTRACTOR PERFORMANCE

IBM has continually met all performance standards as outlined in the current Contract and has been determined to be a responsive and responsible contractor by the County's Program Manager. No money is owed to the County by IBM.

IMPACT ON CURRENT SERVICES

Approval of the proposed recommendation will allow the County continuous, immediate, and complete access to critical case information, provide updates to that information, and perform basic essential tasks to ensure that the well-being of children and families is maintained and recorded in the CWS/CMS.

CONCLUSION

Upon Board approval, the Executive Officer, Board of Supervisors, is requested to return one adopted stamped Board letter and Amendment to the Department of Children and Family Services and send one copy to IBM.

Respectfully submitted,

Reviewed by:

PHILIP L. BROWNING
Director

RICHARD SANCHEZ
Chief Information Officer

PLB:EM
LTI:EO:ea

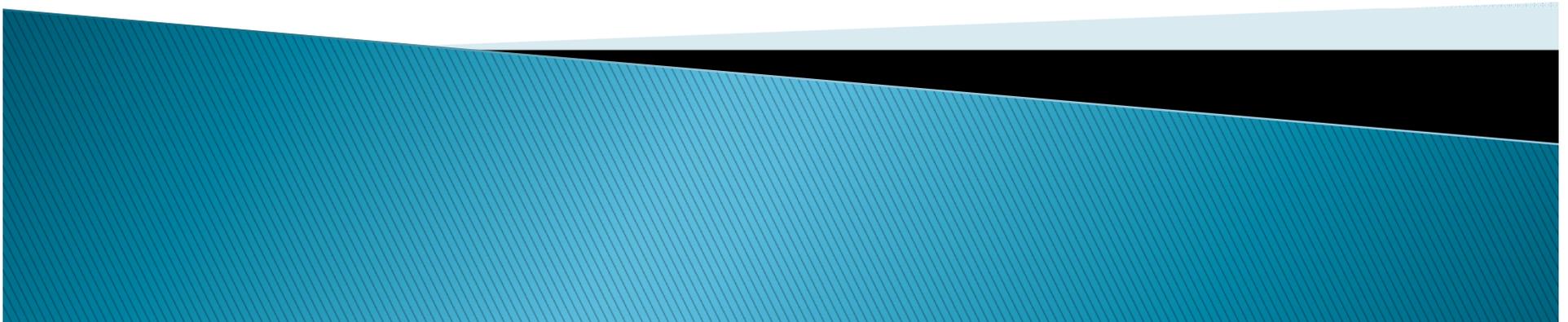
Attachments (2)

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



eTAX – Property Tax Replacement Project

Status Report (June 2014)



Justification for Project

- Age of systems
 - The oldest is nearly 40 years old (Unsecured Roll)
 - Remaining systems are 25 to 30 years old.
 - Uses obsolete mainframe technology
- Inflexible system architecture
- Not using modern database structures
- Limited on-line access to data
- Elimination of disparate systems
- Critical system supporting County Revenue

Risks of Not Replacing Current Systems

- System Failure jeopardizes /delays revenue
- Difficult finding appropriate IT technical skills
- Restricted system changes due to technical complexity
- Limited lifespan/support of existing Cobol code
- Risks to taxpayer – inability to post payments
- Exposure to litigation
- Inability to efficiently address legislative changes

Process /Service Improvements

- On-line bill presentation
- Real-time customer query activity
- Automating process of electronic payments
- Ability to apply refunds to taxes due
- Automate reconciliation processes
- Better integration with eCAPS payment posting
- Better parcel history management
- Better business intelligence and reporting
- Improve / modern application (look and feel)
- Automate the release and/or renewal of unsecured property tax liens with Register Recorder / County Clerk
- Automated workflow/approvals

Benefits to the Taxpayers / Taxing Agencies

- On-line access to tax information
- Quicker response to tax payer/taxing agency inquiries
- Ability to use business intelligence toolsets to provide meaningful information through on-line reporting, trends, statistics, management dashboards, GIS technology, etc.
- Ability to better analyze impact of legislative changes
- Streamlining taxing agencies submission of data
- Improves timeliness of refunds to taxpayers
- Easier/quicker response to complex or voluminous Public Records Act requests

History of A-C / TTC Efforts

- 2009 – 2010: Chief Information Office, Auditor–Controller and Treasurer–Tax Collector began a collaborative effort to acquire a Property Tax Replacement System (eTAX)
 - Contracted with Sierra Systems to develop business and system requirements
 - Developed a phased–in approach
- 2010 – 2011: Began development of an eTAX Request for Proposal (approximately 60% complete)
- Estimated cost of eTAX Project – \$100 million to \$115 million
- Placed on hold to pursue alternative with Orange County

Previous Orange County Alternative

- 2011 – Orange County (OC) proposal for Los Angeles County (LAC) to share their Integrated Property Tax Management System (IPTMS)
- Began informal gap analysis between OC and LAC requirements
- OC discontinued their IPTMS implementation requiring LAC to look at other alternatives

Current Efforts in Other Counties

County	Contract Status	Offices Affected	Project Status	Comments
Santa Cruz	Awarded - Thomson Reuters	Recorder, Assessor, Auditor-Controller, Treasurer Tax Collector	Expect go-live in Dec. 2012	Recorder system went live in 2009. All Property Tax phases have been completed
Santa Barbara	Awarded - Thomson Reuters	Auditor-Controller, Treasurer Tax Collector	9/12: Go-live in late 2013 2/13: Go-live 7/2013 4/14: Delayed to 1/2015	Fit-Gap Analysis complete. Design and development based on Fit-Gap, and data conversion are in progress.
Riverside	Awarded - Thomson Reuters	Assessor, Auditor-Controller, Treasurer Tax Collector	9/12: Expect go-live in 2013/14. 1/13: go live is 10/2013 8/13: go live is 2/2015 5/14: go live is still 2/2015	Fit-Gap Analysis complete. Design and development based on Fit-Gap. Internal testing in progress. User acceptance testing scheduled for early fall 2014.
San Diego	Awarded - Thomson Reuters with Hewlett-Packard	Assessor, Auditor-Controller, Treasurer Tax Collector, Clerk of the Board	9/12: Expect go-live in 2014/15 1/13: Go-live is 1/2014 8/13: Go-live is anywhere from 1/2015~7/2015 5/14: Go-live is 1/2016	Fit-Gap Analysis complete. Design and development based on Fit-Gap for all Offices Affected. Approximately 10,000 functional requirements. Team made up of HP contract managers, Sierra Sys analysts, Thomson Reuters project managers & developers. . Expectation is that completion of Riverside project will address majority of functional requirements.
San Francisco	Awarded - Thomson Reuters	Treasurer Tax Collector	Not Started	Current effort limited to Business License/Tax. Property Tax effort may follow in 2014/15
Kings	Awarded - Thomson Reuters	Recorder, Assessor, Auditor-Controller, Treasurer Tax Collector	Not Started	Final contract expected by Oct. 2012. Clerk-Recorder project expected to complete May 2014. Property Tax project expected to begin in 2014 and go-live in 2015
Ventura	Awarded - Thomson Reuters	Assessor, Auditor-Controller, Treasurer Tax Collector	Not Started	They linked the start of their project to Riverside's go live date. Ventura's project start date will be 1 year after Riverside's successful go live date. They have the option to start earlier if mutually agreed upon.
Nevada	Awarded - Thomson Reuters	Assessor, Auditor-Controller, Treasurer Tax Collector	Not Started	Final contract approved Dec. 11, 2012. On-hold pending results in Riverside
Inyo	Awarded - Thomson Reuters	Assessor, Auditor-Controller, Treasurer Tax Collector	Not Started	Final contract awarded Dec 18, 2012. Update not available.

Project Cost Estimates

<u>Cost Area</u>	<u>Estimate</u>
▶ Developer cost	\$70 – \$85 million
▶ County Project Staff	\$12 – \$15 million
▶ ISD Development	\$ 3 – \$ 5 million
▶ ISD Storage, Servers, etc	\$ 5 – \$10 million
▶	
▶ Total Project Cost	\$100 – \$115 million
▶	
▶ Increase in Annual Operating Cost after implementation (A–C, TTC and ISD costs) is estimated at approximately \$8 million / year due to increased staffing, storage, servers, functionality, maintenance agreements, backup, disaster recovery, etc.	

A-C / TTC Approach

Next Steps

- The A-C & TTC will revisit and update the business requirements to reflect:
 - New Legislation Rules (Dissolution of RDAs)
 - Changes in Business Rules (Implementation of Unsecured Partial Payments)

Plan A – Evaluate the Success of Other Counties

- Continue to monitor the progress of Riverside County's tax project (CREST), as well as other efforts, and determine through a fit-gap analysis the possibility of using CREST to leverage our own eTAX development.

Plan B – Custom Development

- Develop a proprietary Integrated eTAX system using a phased approach

QUESTIONS?

COUNTY OF LOS ANGELES RISK MANAGEMENT OVERVIEW

DEPARTMENT NAME: OFFICE OF THE COUNTY COUNSEL

DATE: June 12, 2014

PURPOSE

To report on the status and the completion of goals in County Counsel's Risk Management Plan for Fiscal Year 2012-13.

DEPARTMENT RISK MANAGEMENT OVERVIEW

The County Counsel's Office acts as the legal advisor to the Board of Supervisors, County officers, departments, commissions and other public agencies, such as the Metropolitan Transit Authority. The Office is comprised of an administrative bureau and 13 divisions that specialize in different areas of civil law and provide legal advice and representation to the County and other clients.

The Office's primary risk exposure arises out of work-related injuries, which result in the filing of workers' compensation claims. The majority of the claims are a result of bodily injuries due to trips, slips and falls, as well as cumulative trauma from repetitive motion injuries. Secondary to workers' compensation risks are those of a general liability and auto liability nature, which are historically very low in number.

The Office established a Risk Management Committee ("RMC") that addresses the management of internal loss control and risk exposure matters. The RMC is responsible for reviewing and analyzing risk management data, and recommending appropriate measures to minimize departmental exposure.

The day-to-day oversight and management of general, auto, and workers' compensation liability risk matters rests with the Department's Risk Management Coordinator, who also serves as the Safety Officer and supervises the Return-To-Work Unit. The Department's Risk Management Coordinator is a member of the RMC and works with the Chief Executive Office and other relevant agencies to manage departmental risk exposure.

The Office has evaluated and implemented the necessary changes in order to meet its Fiscal Year 2012-13 goals by 1) adopting the risk management and absence management systems implemented by the Chief Executive Office ("CEO") and the Department of Human Resources; 2) conducting a comprehensive review of the Office's Safety Manual and updating it as needed; and 3) completing the second segment of its health and safety awareness, "Play It Safe", program for all Office staff. Additionally, the statistical data from the CEO - Risk Management Branch continues to show that the Office's workers' compensation and generally liability claims are very low with a Fiscal Year 2012-13 workers' compensation claim rate of 3.29% per 100 employees compared to a Countywide rate of 11.40% for all departments and a liability cost of risk percentage of 0.49% versus a Countywide risk of 2.19%.

RISK MANAGEMENT COMMITTEES AND PERSONNEL

Risk Management Committee	Kirk Tays, Peggy Hodge, Irma Chairez, Rocio Bautista, and Angeline Trajano
Vehicle Accident Review Committee	Patrick Wu, Ruben Baeza, Liliana Campos, and Angeline Trajano
Risk Management Coordinator Name:	Angeline Trajano
Return-to-Work Coordinator Name:	Aaron Villarreal
Safety Officer/Coordinator Name:	Angeline Trajano

RISK ISSUES, TRENDS, MITIGATION AND MEASURES

Risk Issue No. 1

Issue: Evaluation and Implementation of a Comprehensive Risk Management System

Trend: The Department's existing recordkeeping and internal risk management data collection did not provide an all-inclusive method of retrieving information for follow-up on case management actions. Accordingly, the Department needed to evaluate the implementation of an internal comprehensive risk management system.

Mitigation Measures:

- The Department's Risk Management Committee conferred with the Department's Information Technology Section to assess resources and capabilities to create and maintain an internal system to manage all risk management related information.
- Data sources for the system and design formats were considered for the creation of an internal system to manage all risk management related data and information.
- Evaluation of current systems in other County departments were conducted to assess the cost benefit of using those systems versus the creation of an internal one.

Results:

- CEO Risk Management Branch developed and launched the Countywide Risk Management Dashboard in June 2013, and DHR developed and launched the Absence Management System which is an automated disability management system in July 2012.
- In September 2013, CEO Risk Management Branch Workers' Compensation/Return-to-Work Unit provided guidelines for organization of Return-to-Work files.
- The Department determined that the CEO and DHR systems provided the necessary information for case management actions. Accordingly, the Department's efforts to create its own system was terminated, and it is currently using the CEO's and DHR's management systems, as well as the CEO's guidelines for file organization.

Risk Issue No. 2

Issue: Review and Update All Sections of the Departmental Safety Manual

Trend: Ensure that the departmental safety manual is updated and its safety programs are effective.

Mitigation Measures:

- Comprehensive review of the all departmental safety policies and guidelines.
- Revision of departmental safety manual as necessary.
- Determine accessibility of departmental health and safety programs.

Results:

- Completed review of all department safety policies and guidelines, including review of the Injury and Illness Prevention Program (IIPP), Ergonomics, Hazard Communication and Accident Reporting and Investigation Program.
- Completed IIPP training of all employees in October 2012, and supervisors were also trained on Accident Investigation as part of the IIPP training.
- Departmental health and safety programs are available on the County Counsel intranet site and easily accessible to all employees.

Risk Issue No. 3**Issue: Implement the next segment of the departmental health and safety awareness "Play it Safe" campaign****Trend:** Keeping employees informed of risk factors of repetitive motion injuries, slips, trips and falls, and improper lifting is an important aspect in minimizing exposures due to the repetitive nature of tasks performed.**Mitigation Measure:**

- Evaluate current departmental trend of injuries and illnesses.
- Implementation of the departmental Injury and Illness Prevention Program (IIPP).
- Provide safety related information in minimizing exposures and prevention.

Results:

- The second phase of the Play It Safe campaign was completed on August 2013 with the development and posting of safety related posters in all County Counsel facilities and on the department's intranet site.
- The posters focused on proper lifting techniques and identifying ergonomic risk factors.
- Increased awareness of safety risk factors and how to prevent them.

METRICS**CLAIM PERFORMANCE¹**

MEASURE		FY 2010-11	FY 2011-12	FY 2012-13	3-Year Average
WORKERS' COMPENSATION					
1	Number of Workers' Compensation claims filed during the period	16	9	17	14.0
2	Number of employees as of June 30	492	509	516	505.7
3	Workers' Compensation Claim Report Rate (number of claims reported per 100 employees) for the period	3.25	1.77	3.29	2.77
	Benchmark: Countywide Average Workers' Compensation Claim Report Rate (all departments)	11.68	11.19	11.40	11.42
	Benchmark: Countywide Average Workers' Compensation Claim Report Rate (all departments, excluding Fire, Probation, Sheriff)	6.67	6.83	6.86	6.79
	Benchmark: Countywide Average Workers' Compensation Claim Report Rate (Fire, Probation, Sheriff only)	25.04	22.78	23.46	23.76
4	Workers' Compensation expense paid during the period (including final accounting of allocated and unallocated expenses)	\$592,051	\$548,875	\$405,449	\$515,458
5	Workers' Compensation Expense Rate (expenses paid per current employee) for the period	\$1,203	\$1,078	\$786	\$1,022
	Benchmark: Countywide Average Workers' Compensation Expense Rate (all departments)	\$3,266	\$3,505	\$3,633	\$3,468

¹ This information is provided by the CEO Risk Management Branch.

	MEASURE	FY 2010-11	FY 2011-12	FY 2012-13	3-Year Average
	Benchmark: Countywide Average Workers' Compensation Expense Rate (all departments, excluding Fire, Probation, Sheriff)	\$2,179	\$2,258	\$2,273	\$2,237
	Benchmark: Countywide Average Workers' Compensation Expense Rate (Fire, Probation, Sheriff only)	\$6,167	\$6,822	\$7,241	\$6,743
6	Salary Continuation and Labor Code 4850 paid during the period (100%IA, 70%IA, MegaIA)	\$0	\$13,300	\$17,263	\$10,188
AUTOMOBILE LIABILITY					
7	Number of Automobile Liability claims filed during the period	1	0	1	0.7
8	Automobile Liability indemnity (OC) paid during the period	\$0	\$0	\$1,354	\$451
9	Automobile Liability legal fees and costs (SS) paid during the period	\$0	\$0	\$150	\$50
GENERAL LIABILITY					
10	Number of General Liability claims filed during the period	10	1	3	4.7
11	General Liability indemnity (OC) paid during the period	\$3,710	\$0	\$0	\$1,237
12	General Liability legal fees and costs (SS) paid during the period	\$25,818	\$14,060	\$3,047	\$14,308
MEDICAL MALPRACTICE					
13	Number of Medical Malpractice claims filed during the period	0	0	0	0.0
14	Medical Malpractice indemnity (OC) paid during the period	\$0	\$0	\$0	\$0
15	Medical Malpractice legal fees and costs (SS) paid during the period	\$0	\$0	\$0	\$0
TOTAL CLAIMS AND EXPENSE					
16	Total number of claims filed during the period	27	10	22	19.7
17	Total expenses paid during the period	\$393,565	\$616,086	\$427,263	\$478,971
18	Department operating budget	\$81,463,601	\$83,300,104	\$86,898,069	\$83,887,258
19	Cost of Risk (% total expenses paid / operating budget)	0.48%	0.74%	0.49%	0.57%
	Benchmark: Countywide Cost of Risk	2.10%	2.21%	2.19%	2.17%

VEHICLE AND FLEET SAFETY PERFORMANCE (Data Maintained at the Department Level)

	MEASURE	FY 2010-11	FY 2011-12	FY 2012-13	3-Year Average
DEPARTMENT-OWNED VEHICLES					
20	Number of Department-owned vehicles as of June 30	1	0	0	0.0
21	Total number of vehicle accidents involving Department-owned (or leased) vehicles	0	0	0	0.0
22	Total cost paid for damage involving Department-owned (or leased) vehicles (not including third party claim/damage cost)	\$0	\$0	\$0	\$0
23	Number of miles driven by Department-owned (or leased) vehicles	0	0	0	0.0

MEASURE		FY 2010-11	FY 2011-12	FY 2012-13	3-Year Average
24	Number of vehicle accidents involving Department-owned (or leased) vehicles per 100,000 miles	0.00	0.00	0.00	0.00
	Benchmark: Countywide	1.60	1.78	***	1.69
PERMITEE DRIVERS					
25	Number of Department permittee drivers as of June 30	334	343	343	340.0
26	Total number of vehicle accidents involving permittee drivers	2	2	4	2.7
27	Total cost paid for damage involving vehicles driven by permittee drivers (not including third party claim/damage cost)	\$0	\$5,872	\$7,046	\$4,306
28	Number of permittee miles driven during period	51,885	67,954	96,975	72,271.3
29	Number of vehicle accidents involving permittee drivers per 100,000 miles	3.85	2.94	4.12	3.6
	Benchmark: Countywide	1.95	2.02	***	1.99
	*** Data to be provided when available				
RETURN-TO-WORK PERFORMANCE (Industrial and Non-industrial)					
MEASURE		FY 2010-11	FY 2011-12	FY 2012-13	3-Year Average
30	Number of Employees on Medical Leave (excluding pregnancy) as of June 30	20	20	9	18.0
31	Number of Employees on Intermittent Medical Leave as of June 30	6	7	10	8.0
32	Number of Employees on Pregnancy Leave as of June 30	12	7	3	8.0
33	Number of Employees on Work Hardening Transitional Assignment Agreements as of June 30	11	11	6	10.3
34	Number of Employees on Conditional Assignment Agreements as of June 30	0	0	0	0.0
35	Number of Active Open Workers' Compensation Claims as of June 30	44	45	34	41
36	Number of Active Return-to-Work Cases as of June 30	93	90	62	85.3
37	Number of Return-to-Work Cases Closed in the Prior Year	44	41	50	44.0
SHORT TERM DISABILITY					
MEASURE		FY 2010-11	FY 2011-12	FY 2012-13	3-Year Average
38	Number of active claims as of June 30	3	5	6	4.7
39	Number of closed claims reaching maximum benefit duration during the fiscal year	1	1	4	2.0

MEASURE		FY 2010-11	FY 2011-12	FY 2012-13	3-Year Average
40	Number of claims converted to LTD during the fiscal year	1	0	3	1.3
41	Number of new claims during the fiscal year	22	27	26	25.0
42	Number of lost workdays paid under STD during the fiscal year	1,014	1,324	1,195	1,177.7
43	Number of lost calendar days, including elimination period, for closed claims	1,576	1,634	2,134	1,781.3
44	Total payments for all STD claims paid during the fiscal year	\$326,819	\$440,820	\$377,679	\$381,773
45	Number of paid lost workdays for closed claims	984	1,029	1,318	1,110.3
LONG TERM DISABILITY					
MEASURE		FY 2010-11	FY 2011-12	FY 2012-13	3-Year Average
46	Number of active claims as of June 30	4	6	9	6.3
47	Number of claims opened during the fiscal year	1	5	5	3.7
48	Total payments for all claims paid during the fiscal year	\$192,928	\$181,190	\$282,432	\$218,850
49	Total payments to date on LTD claims closed during the fiscal year	\$738	\$3,170	\$238,274	\$80,727