



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

SACHI A. HAMAI
Chief Executive Officer

DATE: June 9, 2016
TIME: 1:00 p.m.
LOCATION: Kenneth Hahn Hall of Administration, Room 830

AGENDA

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

1. Call to order – James Blunt / Gevork Simdjian
 - A) **Board Memo – ADVANCE NOTIFICATION OF INTENT TO ENTER INTO SOLE SOURCE NEGOTIATIONS FOR AN AMENDMENT TO EXTEND THE TERM OF COUNTY’S AGREEMENT WITH SIRSI CORPORATION DBA SIRSIDYNIX FOR THE PUBLIC LIBRARY’S INTEGRATED LIBRARY SYSTEM (ILS) AND FOR A NEW AGREEMENT WITH SIRSIDYNIX FOR ILS SOFTWARE MAINTENANCE AND SUPPORT**
PUBLIC LIBRARY – Skye Patrick or designee
 - B) **Board Letter – EXTEND THE TERM OF THE INFORMATION AND REFERRAL FEDERATION OF LA COUNTY, INCORPORATED DBA 211 LA COUNTY SOLE SOURCE CONTRACT FOR ONE YEAR; AUTHORIZE THE AMENDMENT OF THE EXTENDED CONTRACT TO ALLOW 211 LA COUNTY TO SERVE AS THE PROP 47 CALL CENTER; AND ACCEPT FUNDS FROM UNITED WAY, INCORPORATED FOR 211 INFORMATION AND REFERRAL SERVICES**
CEO SIB – Fesia Davenport or designee
 - C) **Board Letter – DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS RECOMMENDATION TO APPROVE SERVICE AGREEMENT WITH KOREATOWN IMMIGRANT WORKERS ALLIANCE FOR MINIMUM WAGE ORDINANCE EDUCATION AND OUTREACH SERVICES**
DCBA – Brian Stiger or designee

**D) Board Letter – DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS
RECOMMENDATION TO APPROVE RULES RELATIVE TO THE COUNTY
MINIMUM WAGE AND WAGE ENFORCEMENT ORDINANCES**

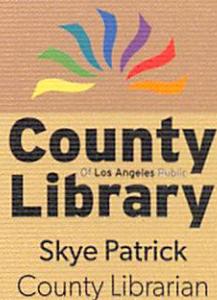
DCBA – Brian Stiger or designee

E) Board Memo – BUSINESS REGISTRATION UPDATE

TTC – Joseph Kelly or designee

2. Public Comment

3. Adjournment



June 9, 2016

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

FROM: Skye Patrick
County Librarian 

ADVANCE NOTIFICATION OF INTENT TO ENTER INTO SOLE SOURCE NEGOTIATIONS FOR AN AMENDMENT TO EXTEND THE TERM OF COUNTY'S AGREEMENT WITH SIRSI CORPORATION DBA SIRSIDYNIX FOR THE PUBLIC LIBRARY'S INTEGRATED LIBRARY SYSTEM (ILS) AND FOR A NEW AGREEMENT WITH SIRSIDYNIX FOR ILS SOFTWARE MAINTENANCE AND SUPPORT

This is to provide to the Board advance notification that the Department of Public Library (Public Library or Library) intends to enter into sole source negotiations with SirsiDynix (1) for an amendment to the ILS agreement with SirsiDynix providing for up to four three-month term extension options to be exercised by the County Librarian, or designee, and (2) for a new agreement for continued maintenance and support of the ILS software.

BACKGROUND

On December 20, 2006, the Board approved Agreement Number ILS-0602 (ILS Agreement) with SirsiDynix for provision and maintenance of a "turn-key" Integrated Library System which included hardware, operating software, application software and professional services (including implementation, programming, training and consulting services). The ILS is vital to the success and support of Public Library's technology infrastructure and is a mission-critical application customized to meet the specific needs of the Department, with an annual usage of 12.7 million checkouts, 2.1 million holds with a database of 7 million volumes and 3 million patrons. The ILS Agreement is in its final extension year and will expire on December 20, 2016, unless extended. The extension options will allow the Public Library to negotiate a new sole source agreement (New Agreement) with SirsiDynix for maintenance and support of the ILS software only.

JUSTIFICATION

The ILS product provided by SirsiDynix is a proprietary Commercial Off-The-Shelf Software (COTS), with the addition of several customizations designed specifically for the Public Library. The product continues to meet the Department's specifications and requirements. Software updates and enhancements provided as part of the ILS maintenance and support have kept the product a leader in the industry. As a proprietary product of SirsiDynix, the ILS software can only be maintained and supported by SirsiDynix. SirsiDynix does not license, certify or otherwise endorse any third party to provide maintenance or support services to its proprietary technology. In addition to significant cost savings, by continued use of this system the Department avoids implementation costs such as data migration, staff training, project management and additional consulting services.

Further, the ILS hardware is reaching end-of-life and modern business practice no longer includes the purchase of commodity hardware with a software application and, therefore, will not be included within the scope of the New Agreement. Since the ILS Agreement provides the Department with a perpetual software license, the New Agreement would need to provide for the ILS maintenance and support only, thus reducing the scope from the ILS Agreement. The intended term of the new Agreement will be five years term with up to three extension options, for a maximum term of eight years.

To support the plan of excluding hardware maintenance from the New Agreement, the Department is working with the Internal Services Department (ISD) and the Chief Information Office (CIO) to migrate the ILS to the County's eCloud platform, with hardware and operating software support to be provided by ISD, consistent with the County's Data Center consolidation plan. The Department will pay ISD approximately \$80,000 annually for support of the eCloud platform on which the ILS software will reside, thereby avoiding \$100,000 annually for hardware support and \$23,000 for disaster recovery services. The ILS software maintenance and support under the New Agreement is estimated by the Department to be \$425,000 annually, subject to the negotiations. The New Agreement further avoids the cost of migrating to a different integrated library system with an estimated implementation cost of \$1,800,000. Financing is included in the department's Fiscal Year 2015-16 Operating Budget and has been requested in the FY 2016-17 Operating Budget.

The proposed amendment will provide the Department with up to four options to extend the ILS Agreement beyond the expiration date of December 19, 2016, three months at a time, in order to allow sufficient time (i) to complete the transition of the ILS to the County's eCloud platform, which will most likely surpass the ILS Agreement's expiration date, and (ii) to negotiate and execute the New Agreement with SirsiDynix for the ILS software maintenance and support.

The CIO has reviewed and concurs with this Sole Source approach.

The Honorable Board of Supervisors
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NEXT STEPS

In accordance to Board Policy 5.100, the Public Library will proceed with the negotiations with SirsiDynix for the extension amendment and then for continued ILS software maintenance and support in four weeks, unless otherwise directed by your Board.

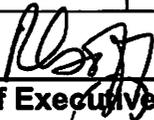
Should you have any questions or require additional information, please contact me directly or your staff may contact Yolanda De Ramus, Chief Deputy Director, at (562) 940-8412 or YDeRamus@library.lacounty.gov.

SP:YDR:AT:MA:em

Enclosures

c: Board of Supervisors, Library Deputies
Chief Executive Office
County Counsel

SOLE SOURCE CHECKLIST

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS <i>Identify applicable justification and provide documentation for each checked item.</i>
✓	➤ Only one bona fide source for the service exists; performance and price competition are not available.
	➤ Quick action is required (emergency situation).
	➤ Proposals have been solicited but no satisfactory proposals were received.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Maintenance service agreements exist on equipment which must be serviced by the authorized manufacturer's service representatives.
✓	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
✓	➤ It is in the best interest of the County, e.g., administrative cost savings, excessive learning curve for a new service provider, etc.
	➤ Other reason. Please explain:
<div style="display: flex; justify-content: space-between;"> <div data-bbox="138 1696 669 1816">  _____ Chief Executive Office </div> <div data-bbox="982 1711 1161 1816"> 6/02/16 _____ Date </div> </div>	

SOLE SOURCE CHECKLIST – JUSTIFICATION

Only one bona fide source for the service exists.

The Public Library acquired a perpetual software license to its Integrated Library System from the vendor SirsiDynix in 2006 and SirsiDynix is the only source for continued maintenance and support of the software system. As a proprietary product of SirsiDynix, the ILS software can only be maintained and supported by SirsiDynix. SirsiDynix does not license, certify or otherwise endorse any third party to provide maintenance or support services to its proprietary technology.

Public Library has evaluated our requirements and determined that SirsiDynix is the only system that can meet our needs in their entirety. As part of the original agreement, SirsiDynix modified their software system to meet several very particular requirements which the Library had for the accounting sub-system of the product. We now have a perpetual license to those modifications. These modifications support the integration with the County's eCAPS Procurement module.

SirsiDynix is a private firm owned by a private equity fund. It has changed owners twice in the course of the current agreement, but has never changed its business model of being the sole provider of its software products and being the sole provider of support and maintenance of its products.

Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.

The existing agreement provided both hardware and software support for the Integrated Library System. Within the framework of the current agreement, the Library is moving the system to ISD's eCloud environment and away from SirsiDynix supplied hardware. Therefore, future hardware support costs will remain within the County (Library to ISD) and the Library will only pay software support and maintenance fees to SirsiDynix.

SirsiDynix is the sole provider for their software and its support and maintenance. However, their software runs on multiple hardware platforms and they do not require that the system hardware be acquired or maintained by them.

It is more cost-effective to obtain service by exercising an option under an existing contract.

The Public Library will avoid many costs by procuring continued maintenance and support of the existing Integrated Library System. The Cost Savings Table attached details all of these costs.

Cost Savings Table

	One Time Costs	Annual Costs
Implementation Costs		
• Initial software licensing ^[1]	\$310,000	
• Data migration, testing, and verification ^[2]	\$90,000	
• Project management costs paid to vendor ^[3]	\$110,000	
• Project management costs to third-party consultant ^[4]	\$650,000	
• Project management costs (department staff time) ^[5]	\$109,000	
Training Costs		
• Vendor training costs ^[6]	\$156,000	
• County staff trainer costs ^[7]	\$70,000	
• Conversion of library meeting rooms into departmental training centers ^[8]	\$200,000	
Hardware and Environment Costs		
• Hosted server setup and configuration ^[9]		\$170,000
• Disaster Recovery ^[10]		\$24,000
Administration Costs		
• RFP preparation and management ^[11]	\$70,000	
Business Partners Integration Costs		
• All self-check machines (a 3M product) would require reconfiguration. ^[12]	\$35,000	
TOTALS	\$1,800,000	\$194,000

NOTES

- 1) Based on System Software costs paid to SirsiDynix in 2008 and consistent with current industry standards.
- 2) Based on Data Migration deliverable paid to SirsiDynix in 2008 and consistent with current industry standards.
- 3) Based on Project Management deliverable paid to SirsiDynix in 2008.
- 4) Project management fees paid to Information Partners (third-party consultant) in 2009.
- 5) Six months IT Manager II S&EB
- 6) Based on Training Package deliverable paid to existing vendor in 2009 and consistent with current industry standards.
- 7) Six months Head, Staff Development Specialist S&EB.
- 8) Estimate based on the conversion of five library meeting rooms into staff training centers in 2008 – twenty PCs at each of five meeting rooms.
- 9) Based on a recent quote from SirsiDynix for vendor-hosted SaaS environment at \$250K/year. PL will pay ISD \$80K/year for eCloud, so savings to library is $\$250K - \$80K = \$170K$
- 10) Based on a recent quote from SirsiDynix for their Disaster Recovery solution, which is included in ISD's eCloud at no extra charge.
- 11) Three months, Contract Staff, Procurement Staff S&EB.
- 12) Based on a similar upgrade project to all 3M Self-check machines recently concluded.

SOLE SOURCE QUESTIONNAIRE

It is the policy of the County, to solicit the maximum number of bids/proposals for a commodity or service from the largest relevant market and to select vendors on a competitive basis.

There are certain acquisitions which when in the best interest of the County, can only be obtained from a sole source. Sole source acquisitions must be justified in sufficient detail to explain the basis for suspending the usual competitive procurement process.

NOTE: Please refer to Procedure P-3700 of the ISD Purchasing Policies on Procedures Manual.

DOCUMENTATION FOR SOLE SOURCE JUSTIFICATION MUST INCLUDE RESPONSES TO THE FOLLOWING QUESTIONS:

1. What is being requested?

The Public Library is requesting (1) for an amendment to the Integrated Library System (ILS) agreement with SirsiDynix providing for up to four three-month term extension options to be exercised by the County Librarian, or designee, and (2) for a new agreement for continued maintenance and support of the ILS software. The intended term of the new Agreement will be five years term with up to three extension options, for a maximum term of eight years.

2. Why is the product needed – how will it be used?

The ILS is a mission-critical application with an annual usage of 12.7 million checkouts, 2.1 million holds with a database of 7 million volumes and 3 million patrons. . The ILS Agreement is in its final extension year and will expire on December 20, 2016, unless extended. The extension options will allow the Public Library to negotiate a new sole source agreement (New Agreement) with SirsiDynix for maintenance and support of the ILS software only.

3. Is the “brand” of product the only one that meets the user’s requirements? If yes, what is unique about the product?

Yes, the ILS product provided by SirsiDynix is a proprietary Commercial Off-the-Shelf Software (COTS), with the addition of several customizations designed specifically for the Public Library. The product continues to meet the Department’s specifications and requirements. Software updates and enhancements provided as part of the ILS maintenance and support have kept the product a leader in the industry.

4. Have other products/vendors been considered? If yes, which products/vendors have been considered and how did they fail to meet the user’s requirements?

As a proprietary product of SirsiDynix, the ILS software can only be maintained and supported by SirsiDynix. SirsiDynix does not license, certify or otherwise endorse any third party to provide maintenance or support services to its proprietary technology.

- 5. Will purchase of this product avoid other costs, e.g. data conversion, etc? Or will it incur additional costs, e.g. training, conversion, etc?**

Yes, in addition to significant cost savings, by continued use of this system the Department avoids implementation costs such as data migration, staff training, project management and additional consulting services.

- 6. Is the product proprietary or is it available from various dealers? Have you verified this?**

Yes, the product is proprietary. SirsiDynix's technology is proprietary, with the current and planned future enhancements continuing to meet the needs of the Public Library and can only be maintained by SirsiDynix.

- 7. Reasonableness of Price. Does the County obtain a percentage discount or special discount not available to the private sector?**

Yes, the current agreement includes a Most Favored Public Entity clause which stipulates that the County is due the lowest price compared to any comparable implementation of the system in the state of California.

- 8. What is the dollar value of existing equipment and the Purchase Order No. for the existing equipment?**

The dollar value of the existing hardware is \$611,000 but has reached end of life and will not be replaced. The department will move the system to the County's eCloud platform. The current cost of maintenance and support is \$497,000 per year. However, that amount includes \$97,000 for hardware support and \$23,000 for Disaster Recovery, both of which will no longer be necessary on the eCloud platform.



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

SACHI A. HAMAI
Chief Executive Officer

June 14, 2016

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

Dear Supervisors:

EXTEND THE TERM OF THE INFORMATION AND REFERRAL FEDERATION OF LOS ANGELES COUNTY, INCORPORATED DBA 211 LA COUNTY SOLE SOURCE CONTRACT FOR ONE YEAR; AUTHORIZE THE AMENDMENT OF THE EXTENDED CONTRACT TO ALLOW 211 LA COUNTY TO SERVE AS THE PROPOSITION 47 CALL CENTER; AND ACCEPT FUNDS FROM UNITED WAY, INCORPORATED FOR 211 INFORMATION AND REFERRAL SERVICES (ALL DISTRICTS AFFECTED) (3-VOTES)

SUBJECT

Authorize the Chief Executive Officer (CEO), or her designee to execute a one year extension of the current Information and Referral Federation of Los Angeles County, Incorporated dba 211 LA County (211 LA County) sole source contract (Contract), and to encumber funds from participating County departments and the CEO to continue the delivery of health and human services and general and specialized Information and Referral (I&R) services to County residents via the 211 dialing code. The extension would: (a) Ensure that critical I&R services are not interrupted past the expiration of the current contract for one year; (b) Allow 211 LA County to expand its scope of services and serve as the Proposition 47 (Prop 47) call center for Prop 47 eligible participants, through negotiated Amendment to the extended Contract's scope of services and an encumbrance of Prop 47 Outreach and Services Campaign funds; and, (c) Provide time for the CEO to negotiate and execute a new multi-year Contract for I&R services past the expiration of the current Contract. Board approval is also needed to authorize the CEO or her designee to accept funding from the United Way, Inc. to partially offset the County's matched portion of the costs for 211 LA County I&R services for fiscal year (FY) 2015-16.

"To Enrich Lives Through Effective And Caring Service"

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Intra-County Correspondence Sent Electronically Only***

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

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the CEO or her designee to execute an amendment (Amendment), substantially similar to Attachment 1, that extends the term of the existing sole source Contract for a period of one year through June 30, 2017, with an existing option remaining to extend for an additional six months through December 31, 2017, by delegated authority to the CEO, or her designee, provided there are sufficient funds remaining under the Contract for provision of services during such six-month period. The cost for the one (1) year extended Contract is \$6,289,329, increasing the maximum Contract amount to \$25,210,994.
2. Authorize the encumbrance of \$6,289,329 from six participating County departments and the CEO that have agreed to continue to fund the provision of I&R services and to continue the Temporary, Emergency Food, Shelter and Transportation Voucher Special Campaign during the contract extension period (Attachment 1, Exhibit B-1).
3. Delegate authority to the CEO or her designee to: (a) Negotiate and amend the extended Contract's scope of services, with prior approval of County Counsel as to form, to allow 211 LA County to deliver telephonic, web-based/digital and care coordination Prop 47 call center I&R services to Prop 47 eligible participants; and (b) Authorize the encumbrance of \$754,500 in one-time funding, contingent upon Board approval of the Prop 47 Outreach and Services Campaign to support the delivery of Prop 47 call center I&R services during FY 2016-17.
4. Approve and authorize the CEO, or her designee, to sign an agreement to accept \$169,500 in funding from the United Way, Inc. for FY 2015-16, to partially offset the Department of Public Social Services' (DPSS) matched portion of the costs of the 211 LA County I&R services (Attachment 2). Upon receipt of this contribution, DPSS will deposit the check for the offset. The agreement has been approved by County Counsel as to form.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

211 LA County Contract

Under the existing Contract, set to expire on June 30, 2016, 211 LA County provides County residents with I&R services on a 24 hours a day, seven (7) days a week basis. The Contract funds 211 LA County to service 412,968 annual calls for I&R health and human services and 30,000 calls for I&R unincorporated area services/code enforcement through the 211 dialing code or existing toll-free telephone number. Services rendered include:

1. Ensuring callers are directly connected to a service provider who can address their needs (“warm hand-offs”) on all crisis, abuse, and neglect calls, including those for the Department of Children and Family Services’ (DCFS) Child Abuse Hotline, Community and Senior Services’ (CSS) Elder Abuse Hotline, Department of Mental Health’s (DMH) ACCESS Hotline, and the Safely Surrendered Baby Hotline.
2. Assisting residents with unincorporated area services/code enforcement requests and conducting similar “warm hand-offs” to appropriate department’s representative as needed.
3. Providing I&R services to constituents seeking employment assistance through the one-stop WorkSource California Employer and Job Seeker Line funded by CSS.
4. Making emergency information and resources available to the public whenever the County’s Emergency Operations Center, Office of Emergency Management is activated.
5. Delivering services through Special Campaigns/Projects, such as the CEO’s Temporary, Emergency Food, Shelter, and Transportation Vouchers Program.

With the approval of the Contract extension: (a) the CEO will lead the Contract amendment process to add the I&R enhancements to serve Prop 47 participants, will continue to be responsible for overall management of the 211 LA County Contract, and will lead the negotiations for a new I&R services contract; (b) the six departments and the CEO will continue to fund the 211 LA County Contract; (c) the Temporary, Emergency Food, Shelter and Transportation Voucher Special Campaign will continue until the funds are exhausted; and (d) DPSS will continue to be responsible for monitoring the Contract.

Proposition 47

Pursuant to a Board directive, the Public Defender and the CEO designed a Prop 47 Outreach and Services Campaign to contact potentially eligible individuals to reduce certain drug or property crime felony convictions to a misdemeanor. The target population would also be notified of mental health treatment, substance use disorder treatment, health services, housing and social services, employment training, and job opportunities.

Given 211 LA County’s existing I&R service Contract and organizational capacity to handle large call volumes, as well as the short timeframe of the Prop 47 legal relief filing deadline, the Prop 47 Task Force determined that establishing an alternative County call center would be too time consuming, logistically complex and costly.

As such, the Task Force requested 211 LA County to serve as the Prop 47 call center to provide I&R telephonic, web-based/digital and care coordination services to Prop 47 eligible constituents, estimated at 500,000.

United Way, Inc.

Since September 5, 2006, the Board has approved annual agreements to accept funding from the United Way Inc. to partially offset the DPSS program match expenditures related to I&R services provided through 211 LA County. For FY 2015-16, the amount of United Way Inc. funds to be deposited by DPSS upon Board approval is \$169,500.

Implementation of Strategic Plan Goals

Approving the recommendations would support the following County Strategic Plan Goals:

- GOAL 1: Operational Effectiveness/Fiscal Sustainability, to maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services.
- GOAL 3: Integrated Services Delivery, to 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

211 LA County

Six County departments and the CEO have agreed to continue funding the additional 12-month extension period of the 211 LA County Contract (including the remaining Temporary, Emergency Food, Shelter, and Transportation Vouchers Special Campaign/Project) for a Contract sum of \$6,289,329. The funding is included in the FY 2016-17 budget.

Prop 47 Call Center Services

Upon approval of the requested extension of the 211 LA County Contract, the total cost of 211 LA County delivering telephonic, web-based/digital and care coordination Prop 47 call center I&R services during FY 2016-17 will be \$754,500. This is contingent upon Board approval of the FY 2016-17 Final Budget, and a Prop 47 Outreach and Service Campaign appropriation request to be presented to the Board in June 2016.

Upon Board approval of the recommendations, the total 211 LA County Contract amount will be \$7,043,829 for FY 2016-17.

It is recognized by all parties that the potential response to the Prop 47 Outreach and Services Campaign is unknown. Unlike typical County community awareness campaigns, such as health and social services, there is no experience with such a massive outreach campaign offering legal relief for 500,000 eligible participants under Prop 47. Once a negotiated Contract amendment has been executed, the CEO will work closely with 211 LA County to monitor call volumes and may return to the Board should the call center capacity and corresponding funding need to be increased.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

211 LA County

Pursuant to Section 26227 of the Government Code, the Board of Supervisors may appropriate and fund programs deemed by the Board to be necessary to meet the social needs of the population of the County, including but not limited to, the areas of health, law enforcement, public safety, rehabilitation, welfare, education, legal services, and the needs of financially, physically, mentally challenged persons and aged persons.

In 1980, the Board first adopted a contract with 211 LA County to provide I&R services to all County residents. On October 16, 2003, the California's Public Utilities Commission designated 211 LA County as the sole provider of 211 services in the County of Los Angeles. Accordingly, 211 LA County became the sole source contractor providing services.

On June 4, 2013, the Board approved a sole source Contract with 211 LA County for the provision I&R services through the 211 dialing code for a term of three years from July 1, 2013 through June 30, 2016, with a six month extension option at the sole discretion of the CEO for a contract sum of \$18,791,450. This included one-time funding allocated to leverage available shelter vouchers under the Temporary, Emergency Food, Shelter and Transportation Voucher Special Campaign. These monies were authorized to be carried over until exhausted.

Under the CEO's delegated authority two amendments were executed: (a) Amendment One, completed two DPH Special Campaigns/Projects; and (b) Amendment Two, provided 211 LA County with funding from the Provisional Financing Uses Budget Unit to purchase a network switch and upgrade security software.

On May 11, 2016, the Board was notified of the CEO's intent to negotiate and executive a new multi-year contract for I&R services past the expiration of the current Contract.

While the CEO has the delegated authority to extend the Contract for up to six months, a twelve month time extension is needed to complete negotiations for a new I&R services contract.

The Amendment will become effective upon Board approval and will extend the Contract from July 1, 2016 through June 30, 2017, with the remaining six month extension option to extend through December 31, 2017, providing there are sufficient funds remaining under the Contract.

Attached is a Sole Source Checklist providing the sole source justification for the County to contract with 211 LA County (Attachment 3).

Prop 47 Call Center Services

On November 4, 2014, the Safe Neighborhoods and Schools Act, commonly known as Prop 47, was approved by voters to reduce certain drug and property crime convictions from a felony to a misdemeanor. Eligible individuals have a three year window to file a petition (individual is currently serving the sentence) or an application (individual has completed the sentence) for legal relief. The deadline to file is November 5, 2017.

On December 1, 2015, the Board directed the Public Defender, CEO, and the Office of Diversion and Re-Entry, to establish several taskforces to develop strategies to identify, contact, and provide legal relief, rehabilitative and support services, and employment opportunities to individuals eligible for Prop 47 legal services.

In June 2016, the Board is scheduled to consider for approval the Prop 47 Outreach and Services Campaign, along with the corresponding fiscal implementation plan. Approval will allow the County to reach out to 500,000 eligible individuals prior to the filing deadline and to notify them of their opportunity to receive legal relief and services. To accommodate the potential response volume to the Outreach and Services Campaign, the CEO will negotiate an amendment to the extended Contract to allow 211 LA County to expand its scope of services and serve as the County's Prop 47 call center. I&R services will include referrals for legal relief, mental health treatment, substance use disorder treatment, health services, housing, social services, employment training, and job opportunities.

IMPACT ON CURRENT SERVICES

211 LA County has been designated by the California Public Utilities Commission as the sole entity to provide I&R services within the County of Los Angeles. The one year extension of the existing Contract would ensure that County residents continue to

The Honorable Board of Supervisors
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receive critical I&R services, including crisis services, such as Elder Abuse, Child Abuse, and Mental Health services on a 24 hours a day, seven (7) days a week basis.

Additionally, 211 LA County is able to handle potentially high call volumes in response to the County's Prop 47 mass outreach efforts, and to make service referrals in response to those efforts. The Prop 47 Task Force has determined that establishing an alternative call center to 211 LA County would be too time consuming, logistically complex and cost prohibitive.

Respectfully submitted,

SACHI A. HAMAI
Chief Executive Officer

SAH:JJ:FD
HK:CP:km

Attachments (3)

c: Executive Office
County Counsel
Community and Senior Services
Children and Family Services
Health Services
Mental Health
Public Health
Public Social Services
Executive Director 211 LA County



Brian J. Stiger
Director

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

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"

June 21, 2016

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

Dear Supervisors:

**DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS
RECOMMENDATION TO APPROVE SERVICE AGREEMENT
WITH KOREATOWN IMMIGRANT WORKERS ALLIANCE FOR
MINIMUM WAGE ORDINANCE EDUCATION AND OUTREACH SERVICES
(ALL SUPERVISORIAL DISTRICTS – 3 VOTES)**

SUBJECT

The Department of Consumer and Business Affairs (DCBA) recommends your Board enter into a contract with the Koreatown Immigrant Workers Alliance (KIWA) to assist DCBA in educating workers and employers about the new Los Angeles County Minimum Wage Ordinance (MWO). The term of the contract is for two years with options for two one-year renewals for a four year total cost of \$1,000,000. The contract will establish a partnership between DCBA and Community Based Organizations (CBOs) to provide comprehensive support to workers and employers throughout the unincorporated areas of Los Angeles County (County) as they adjust to the new minimum wage increase.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair to sign the enclosed agreement with KIWA to provide MWO education and outreach services. The agreement will allow KIWA and eleven community based organizations, in their capacity as subcontractors, to provide services to employers and minimum wage workers concerning the MWO for two (2) years with options for two (2) one-year renewals exercised at the discretion of the Director of DCBA for a four year total cost of \$1,000,000.

2. Delegate authority to the Director of DCBA, or his or her designee, to execute two optional one-year renewals by written notice, following the approval of the County Counsel and the Chief Executive Officer (CEO), and instruct the Director of DCBA to notify your Board and the CEO in writing within ten (10) working days that an extension option has been exercised.
3. Delegate authority to the Director of DCBA, or his or her designee, to execute an amendment to extend the contract up to six (6) months, if necessary, in an amount not to exceed \$20,833 per month, to complete the negotiation of a new solicitation process provided: 1) applicable State and Federal regulations are observed; 2) prior County Counsel and CEO approval is obtained; and 3) the Director of DCBA notifies your Board and the CEO in writing within ten (10) working days of executing the amendment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the proposed agreement will authorize KIWA and eleven (11) community group subcontractors to provide education, outreach, counseling, and referral services to minimum wage workers and those who allegedly are not being paid minimum wage or wages they are owed by law. Services will be provided in a variety of languages to diverse communities and employers.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This request supports the strategic plan as follows:

Goal No. 1: Operational Effectiveness/Fiscal Sustainability: Maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services.

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

Your Board's approval of the proposed agreement will authorize KIWA and eleven (11) community organizations in their capacity as subcontractors to provide services to

employers and minimum wage workers concerning the MWO for two (2) years with options for two (2) one-year renewals exercised at the discretion of the Director of the Department of Consumer and Business Affairs (DCBA) for a four year total of \$1,000,000. This action also approves an extension, up to six months if necessary to complete the negotiation of a new solicitation process, at a rate not to exceed \$20,833 per month. Sufficient funding is included in the Department's Adopted Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Los Angeles County MWO was enacted by your Board and became law on October 29, 2015. The MWO requires employers with twenty-six (26) or more employees in the unincorporated areas of Los Angeles County to pay a minimum wage of \$10.50 starting July 1, 2016. The minimum wage increases each year thereafter culminating in an hourly wage of \$15.00 on July 1, 2020. For employers with twenty-five (25) or fewer employees in the unincorporated areas of Los Angeles County, the \$10.50 minimum wage becomes effective July 1, 2017, and increases each year thereafter culminating in an hourly wage of \$15.00 on July 1, 2021. Beginning July 1, 2022, the minimum wage for all workers in the unincorporated areas of Los Angeles County increases annually based on the Consumer Price Index for Urban Earners and Clerical Workers.

On November 17, 2015, the Board of Supervisors approved a County Wage Enforcement Program (WEP) and designated DCBA as the agency responsible for enforcement of the County's MWO. DCBA is responsible for educating employers and workers on their rights and responsibilities under the MWO, providing a system to receive worker complaints, conducting timely investigations, and working to recover unpaid wages. The Board of Supervisors also directed DCBA to conduct outreach to employers and workers concerning the new MWO. This proposed agreement with KIWA will assist DCBA provide culturally competent and linguistically appropriate communication to the full diversity of communities regarding the MWO and remedies available to workers for redress.

The proposed agreement contains the County's required contract provisions, including the requirement for KIWA to notify and assist its employees with the Federal Earned Income Tax Credit application process, the consideration of qualified GAIN/GROW participants for employment openings, compliance with the Jury Duty Ordinance, Safely Surrender Baby Law, and Contractor notification to the County when the Contract is within six months from expiration of the Term of the Contract. Counsel reviewed and approved the proposed agreement as to form.

IMPACT ON CURRENT SERVICES

Your Board's approval of this proposed agreement increases and broadens the reach of DCBA into diverse communities. Research has shown that local wage enforcement is most effective when government agencies work together with CBOs to provide education and outreach to workers and employers in different trades and cultural communities across the region.

CONCLUSION

DCBA respectfully requests and recommends that the Chair signs this contract and returns one adopted copy of this letter to the Department of Consumer and Business Affairs and two (2) signed copies of the Agreement.

Respectfully submitted,

BRIAN J. STIGER
Director

Enclosure(s)

C: Chief Executive Officer
County Counsel
Executive Officer, Clerk of the Board



Brian J. Stiger
Director

COUNTY OF LOS ANGELES DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS

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"

June 21, 2016

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

Dear Supervisors:

**DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS
RECOMMENDATION TO APPROVE RULES RELATIVE TO THE COUNTY MINIMUM
WAGE AND WAGE ENFORCEMENT ORDINANCES
(ALL SUPERVISORIAL DISTRICTS – 3 VOTES)**

SUBJECT

The Department of Consumer and Business Affairs (DCBA) recommends your Board approve the attached Rules Relative to County of Los Angeles Minimum Wage And Wage Enforcement Ordinances ("Rules"). These Rules will further clarify DCBA's authority and procedures for enforcing the Los Angeles County Minimum Wage Ordinance and Wage Enforcement Ordinance, Chapters 8.100 and 8.101, respectfully, of the Los Angeles County Code, as well as provide guidance to workers and employers subject to the Los Angeles County Minimum Wage Ordinance and Wage Enforcement Ordinance.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the attached Rules Relative to County of Los Angeles Minimum Wage And Wage Enforcement Ordinances, to be effective as the date of adoption; and
2. Instruct the Director of DCBA to make copies of the Rules available to employers and workers, and to all County Department Heads.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On April 26, 2016, your Board approved the addition of Chapter 8.101, the Los Angeles County Wage Enforcement Ordinance (Enforcement Ordinance), to the Los Angeles

County Code. The Enforcement Ordinance designates the Director of the DCBA ("Director") as the enforcement officer for Chapter 8.100 of the Los Angeles County Code, the Los Angeles County Minimum Wage Ordinance (Minimum Wage Ordinance). As the enforcement agency, the DCBA shall be responsible for receiving complaints of violations of the Minimum Wage Ordinance, conducting investigations, and overseeing the disposition of alleged violations, including imposition of fines and penalties and recovery of employees' back wages.

The Enforcement Ordinance also provides the Director with authority to issue rules for the administration of DCBA's wage enforcement program, with the requirement that your Board approve such rules before they become effective. Therefore, pursuant to the authority granted under the Enforcement Ordinance, my department working in collaboration with the County Counsel's office, has drafted the attached Rules Relative to County of Los Angeles Minimum Wage And Wage Enforcement Ordinances for your approval. Approval of the recommended actions will provide guidance to employers and employees on how the DCBA will apply and enforce the requirements of the Minimum Wage Ordinance and the Enforcement Ordinance. The Rules also provide procedural guidelines for issuing Correction and Wage Enforcement Orders, the collection of fines and fees, and for the imposition of penalties against current and potential County contractors that violate the Minimum Wage Ordinance or Enforcement Ordinance.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This request supports the strategic plan as follows:

Goal No. 1: Operational Effectiveness/Fiscal Sustainability: Maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services.

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.

FISCAL IMPACT/FINANCING

The recommended action provides the mechanisms to assist in recovering administrative fines and employee back wages associated with administering and enforcing the Los Angeles County Wage Enforcement Ordinance.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Los Angeles County Minimum Wage Ordinance became effective on October 29, 2015 and the first wage increase will apply to businesses with 26 or more qualifying employees that work in the unincorporated areas of the County beginning on July 1,

2016. The Minimum Wage Ordinance requires employers with twenty-six (26) or more employees in the unincorporated areas of Los Angeles County to pay a minimum wage of \$10.50 starting July 1, 2016. The minimum wage increases each year thereafter culminating in an hourly wage of \$15.00 on July 1, 2020. For employers with twenty-five (25) or fewer employees in the unincorporated areas of Los Angeles County, the \$10.50 minimum wage becomes effective July 1, 2017, and increases each year thereafter culminating in an hourly wage of \$15.00 on July 1, 2021. Beginning July 1, 2022, the minimum wage for all workers in the unincorporated areas of Los Angeles County increases annually based on the Consumer Price Index for Urban Earners and Clerical Workers.

On April 26, 2016, your Board adopted the Enforcement Ordinance, Chapter 8.101 of the Los Angeles County Code. The Enforcement Ordinance creates a wage enforcement program that ensures employees performing work in the unincorporated areas of the County of Los Angeles are paid no less than the amount they are owed according to the Minimum Wage Ordinance. The Enforcement Ordinance allows DCBA to educate and inform unincorporated County employers and employees about the requirements, benefits, and protections provided by the County of Los Angeles and its wage enforcement program to promote a fair employment environment for all employees and businesses. The Enforcement Ordinance sets forth certain standards that covered employers must abide by when compensating their employees, including required initial compensation disclosure statements and pay period statements.

The Enforcement Ordinance also designated DCBA's powers and duties as the enforcement agency of the Minimum Wage Ordinance, including DCBA's authority to promulgate rules. The DCBA, in consultation with County Counsel, has drafted the attached Rules outlining the process for the imposition of administrative fines, clarification on employee travel time, and guidelines for required workplace notifications. These proposed Rules also provide guidance as to how employer size will be determined, as well as guidelines for employer recordkeeping requirements and instruction for what is considered retaliation under the Enforcement Ordinance. The Rules provide information as to the administration of Correction Orders and Wage Enforcement Order under the Enforcement Ordinance. Finally, the proposed Rules provide guidance to County departments for the imposition of contracting penalties on current and potential County contractors who are found in violation of the Minimum Wage Ordinance or Enforcement Ordinance. County Counsel reviewed and approved the proposed Rules as to form.

IMPACT ON CURRENT SERVICES

Your Board's approval of the proposed Rules will enable DCBA to begin the administration of the Wage Enforcement Program, and educate employers and employees as to how the Minimum Wage Ordinance and Enforcement Ordinance will be implemented. Specifically, the Rules contain definitions for key terms and phrases,

and provide the procedural framework for issuing Orders, guidelines for enforcement and the collection of the fines and fees established in the Enforcement Ordinance, as well as recommendations for penalties to be imposed against current and potential County contractors that violate the Minimum Wage Ordinance or Enforcement Ordinance.

CONCLUSION

DCBA respectfully requests and recommends that your Board approve these Rules and return one adopted copy of the Rules to the Department of Consumer and Business Affairs and two (2) signed copies of the Rules.

Respectfully submitted,

BRIAN J. STIGER
Director

BJS:cmt

Enclosure(s)

C: Chief Executive Officer
County Counsel
Executive Officer, Clerk of the Board

June 17, 2016

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

FROM: Joseph Kelly
Treasurer and Tax Collector

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

SUBJECT: **BUSINESS REGISTRATION UPDATE**

On May 3, 2016, your Board directed the Treasurer and Tax Collector (TTC) and the Department of Consumer and Business Affairs (DCBA), in consultation with the Community and Senior Services Department's Workforce Development Business Services Unit (DCSS), the Community Development Commission's Economic Development and Business Services Program (CDC), the Chief Executive Officer (CEO), County Counsel (CC), and any other appropriate departments, to:

- 1) Submit a proposal for Board consideration within 120 days to begin implementing a new Business Registration Program which would include all businesses in unincorporated Los Angeles County, except those already subject to the Business License Program;
- 2) Submit a proposal for Board consideration within 45 days to gather standardized information on businesses in both the license program and the proposed registration program, including number and occupational categories of employees, industrial classification of business, relevant County services and resources utilized and other information needed to effectively serve the business community and enforce the new Minimum Wage, including:

- 1) A proposal to start information collection no later than July 1, 2016, when the Department of Consumer and Business Affairs begins its Small Business Initiative and Wage Enforcement Program; and
- 2) An evaluation of options to treat this initial data collection from businesses, particularly small businesses, as a preregistration program valid until up to at least July 1, 2017; and
- 3) Submit a proposal for Board consideration within 120 days, with supporting analysis, to license a select number of new business categories and/or conduct updated fee studies for those that are known to have high rates of wage violations and/or wage theft, such as garment manufacturing, restaurants, car repair and car wash facilities and nail salons.

This report constitutes the required proposal listed above (i.e., 45 day report back). My office briefed this report at the Operations Cluster meeting of June 9, 2016.

STANDARDIZED INFORMATION

The TTC convened a workgroup of departments listed in the motion, and after consultation with the working group, we recommend that the information listed on the Attachment should be collected as part of the license program and the proposed registration program.

INFORMATION COLLECTION BEGINNING JULY 1, 2016

The TTC evaluated an ability to collect this information on all new Business License applications effective July 1, 2016. However, we identified limitations to the expansion of data fields within the current Business License system which prohibit us from meeting that objective. Staff continue to explore system alternatives to address this, and we will include a status on the resolution of this issue in the 120 day report.

PRE-REGISTRATION PROGRAM

The working group evaluated the feasibility of establishing a pre-registration program to gather data on businesses not required to obtain a business license currently, but recommends against this. The group believes that the creation of a “pre-registration program” could be confusing for the business community, and divert County resources from the establishment of the Business Registration Program. The TTC also noted that the Business License system, as it is currently configured, does not allow business owners to register online, an important functionality to provide business owners in a pre-registration program. Staff will continue to explore system alternatives, an integral component of the implementation plan, and we will include a status on this issue in the 120 day report.

Should you have any questions, please contact either one of us, or your staff may contact Keith Knox, Chief Deputy Treasurer and Tax Collector, at (213) 974-0703 or kknox@tc.lacounty.gov.

- c: Chief Executive Officer
- Animal Care and Control
- Auditor-Controller
- Business License Commission
- Community Development Commission/Housing Authority
- Department of Community and Senior Services
- Department of Consumer and Business Affairs
- Executive Officer, Board of Supervisors
- Department of Public Health

DRAFT

ATTACHMENT

About the Firm

1. Articles of Incorporation
2. Corporate Officers
3. California Secretary of State – Statement of Information
4. Doing Business As (dba) and fictitious name statement
5. Federal Employer Identification Number (FEIN)
6. Email address
7. Website address
8. Legal structure (corporation, Limited Liability Corporation, etc.)
9. Year business began
10. Year the business commenced at the current location

What the Firm Does

11. Industrial classification of business (e.g., North American Industry Classification System, a.k.a. NAICS code)
12. For Business License only, the Firm should provide information on governmental permits or licenses as required under the Business License Ordinance, (e.g. State Seller's Permit, State Alcoholic Beverage Control License or County Health Permit).

Who Works for the Firm

13. Number of employees
 - Total, then broken down by full time and part time
14. Designation of occupational category
15. For Business License only, the employees should provide approvals from State or Professional Organizations as required under the Business License Ordinance, (e.g. California Massage Therapy Council certification).

Location of the Firm

16. Situs address and mailing address, if different.
17. Hours of Operation
18. Rent or own
19. Mailing address

County services and resources the Firm utilizes or is interested in utilizing

20. Does the firm currently utilize or would they have interest in learning more about various County business and economic development programs (e.g. the Community Development Commission and the Department of Community and Senior Services workforce and economic development programs, and Department of Consumer and Business Affairs local small business and disabled veteran owned business enterprises and business concierge services).