County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE
713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
http://cao.co.la.ca.us

DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

April 4, 2006

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

Dear Supervisors:

APPROVAL TO RENEW CONTRACT FOR THE RISK MANAGEMENT AND CLAIMS ADMINISTRATION INFORMATION SYSTEM (ALL DISTRICTS – 3 VOTES)

JOINT RECOMMENDATION WITH COUNTY COUNSEL THAT YOUR BOARD:

1. Provide approval to the Chief Administrative Office (CAO) and County Counsel, as joint Program Directors, commencing with this 2006 annual renewal of Contract No. 73275, with Risk Technologies, Inc. (RTI) (Agreement), to renew the Agreement term for maintenance and repair services for an additional one-year period, effective April 14, 2006, through and including April 13, 2007.

2. Instruct the Auditor-Controller to continue to pay program costs as invoiced and validated by the CAO.

3. Accept the attached quarterly and annual summary reports documenting the outcomes and effectiveness of the Risk Management and Claims Administration Information System (RMIS).

4. Accept the format used in the attached annual summary report (Attachment II) as the format for future reports on RMIS activities and to support future requests for Agreement renewals.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On December 14, 2004, your Board instructed the CAO and County Counsel to return, within 60 days, with a report providing additional detailed information addressing RMIS concerns and intended enhancements, on how your Board would be notified of the same, and with a timeline to resolve any issues concerning the differing roles of CAO and County Counsel related to claims management.

In response to these instructions, on February 15, 2005, CAO and County Counsel provided your Board with a written report that: 1) described measures being taken to protect RMIS data confidentiality, integrity, and accuracy, and to ensure consistent data retrieval and timely departmental access to risk information; 2) summarized intended RMIS enhancements; 3) advised that quarterly reports would be provided to update your Board on progress made on RMIS issues; and 4) provided the requested claims management timeline. An additional report was provided to each Board office on February 28, 2005, listing RMIS Priority 1 and Priority 2 system enhancements and estimated costs.

On March 1, 2005, your Board approved Amendment No. 2 to the Agreement, that extended the Agreement's term to and including April 13, 2006, and approved the increase to the previously delegated authority enabling the CAO and County Counsel to expend funds necessary to ensure continued RMIS services. Your Board also instructed CAO and County Counsel to:

1. Provide your Board with quarterly reports concerning the status of RMIS, including a methodology for measuring the outcomes and effectiveness of RMIS and the Claims Consolidation Project (Project);

2. Commencing in 2006, obtain Board approval before exercising each annual renewal option, and justify the renewal based on the measured outcomes and effectiveness of RMIS;

3. Return to your Board for approval to spend $1 million set aside for RMIS Priority 2 enhancements after RMIS Priority 1 enhancements were implemented; and

4. Report back to your Board within three months with an update.

Since then, the CAO and County Counsel have submitted RMIS quarterly reports and related documentation, including the *Methodology to Measure the Outcomes and Effectiveness of RMIS (The Methodology)* to comply with the instructions of items 1, 3, and 4, above. In addition, an update on the Project was submitted to your Board in February 2005, and future updates will continue to be submitted under separate cover.

Pursuant to item 2, the CAO and County Counsel, as joint Program Directors, now request Board approval to exercise the County's option to renew the Agreement term for an additional year. The results of the measurements defined by *The Methodology* confirm that RMIS and RTI's performance have met the County's data quality, data availability, and data accessibility expectations. This successful performance has been documented in the quarterly updates to your Board, as well as in the Quarterly Update Report, January through March 2006 (Attachment I). An annual report summary of RMIS progress, modifications, and upgrades during this term year, as measured by *The Methodology,* is also attached (Attachment II). Following Board approval, future requests to your Board to exercise annual Agreement renewal options will be justified by providing an annual report to your Board utilizing a format similar to Attachment II.

Implementation of Strategic Plan Goals

The RMIS Agreement supports the County's Strategic Plan Goal Number 3, Organizational Effectiveness, and Goal Number 4, Fiscal Responsibility, by providing a centralized claims database that CAO, County Counsel, client County departments, and third party administrators can utilize to improve the effectiveness of Countywide risk management activities.

FISCAL IMPACT/FINANCING

Funding for system upgrade projects and maintenance and support have been included in the Fiscal Year 2005-06, and proposed Fiscal Year 2006-07 Insurance Budgets.

FACTS AND PROVISION/LEGAL REQUIREMENTS

The original Agreement and amendments were approved as to form by County Counsel and approved by your Board.

IMPACT ON CURRENT SERVICES

Approval of this renewal of the Agreement term will ensure RTI's uninterrupted continuation of these critical services.

CONCLUSION

Upon approval by your Board, please return two adopted copies of the Board letter to the CAO, Risk Management Branch.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

RAYMOND G. FORTNER, JR.
County Counsel

DEJ:RAA
DAU:TO:sg

Attachments

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

Attachment I

RISK MANAGEMENT INFORMATION SYSTEM
QUARTERLY UPDATE REPORT
January through March 2006

As requested by your Board on March 1, 2005, listed below are summary descriptions and status of each work order issued for system modifications and upgrades to the Risk Management Information System (RMIS) during the first quarter of 2006.

COMPLETED WORK ORDERS

In the first quarter of 2006, the work order to automate the Auditor-Controller's Small Claims Unit (Unit) functions resulting from the Unit's transfer to the Chief Administrative Office (CAO) was completed. The work order required analysis of the Unit's work process, programming of system modifications to meet the Unit's needs, creation of access roles for staff, and training. This enhancement to RMIS satisfies the performance expectations stated in the *Methodology to Measure the Outcomes and Effectiveness of RMIS.*

ACTIVE WORK ORDERS

Currently in progress is a work order which provides for data clean-up, changes to the system interface, and modifications to the reporting tools and data printouts. This will accomplish a portion of the Priority 1 enhancements previously identified in the February 28, 2005 Board memorandum.

WORK ORDERS IN PROGRESS

A work order for additional Priority 1 enhancements is being drafted. This work order will include confidentiality notice and agreement "pop-ups," in order to maintain and protect legal privileges, as well as improvements to the automated timekeeping module used by County Counsel to bill client departments for staff attorney expenses.

RISK MANAGEMENT INFORMATION SYSTEM
ANNUAL REPORT SUMMARY
April 2005 through April 2006

Listed below are descriptions of each work order completed and in progress for system modifications and upgrades to the Risk Management Information System (RMIS) during the renewal term of April 14, 2005 through April 13, 2006.

- **eCAPS Conformation:** Modifications were made to RMIS to meet the standard business practice of the upgraded version of the Countywide Accounting and Purchasing System (eCAPS).

  Enhancements included:

  - Mandated changes to Chart of Accounts (COA) to meet Auditor-Controller requirements.
  - Ability to efficiently code, distinguish, and report on files where the County is the plaintiff.
  - Enhanced reporting capabilities.

- **2004 Federally-Mandated 1099 Forms:** Modifications were made to RMIS to allow, for the first time, vendor information to be electronically forwarded to the Auditor-Controller for issue of the Federally-mandated 1099 forms.

  Enhancements included:

  - Interface that allows for the electronic submission to eCAPS of only those files with adequate vendor information.
  - Changes to reporting capabilities.
  - Interface for creation of 1099 file for electronic submission to the Auditor-Controller.

- **Small Claims Unit (Unit) transfer from Auditor-Controller to the CAO:** Modifications were made to RMIS following the transfer of the Unit to the CAO. The Unit's procedures were automated for the first time and RMIS was enhanced to accommodate and support the Unit's work process.

  Enhancements included:

  - Addition of user group.
  - Cleaning of data to re-assign files accordingly.
  - Changes to system to accommodate new workflows, including new reports to assure compliance with eCAPS, ability to process payments, new form letters, and new auto diaries.
  - Training of new staff on RMIS, according to new workflows.

- **County Counsel Re-Alignment:** Modifications were made to RMIS due to County Counsel's implementation of a realignment of its attorney and support staffing. The divisional and time billing structure was reconfigured and augmented to reflect new divisions, hourly rates, staffing, overhead, and other related costs associated with services provided by County Counsel.

  Enhancements included:

  - Established new division codes to accommodate new workflows, including changing code designations to organization numbers.
  - Cleaned all data to re-assign files according to new organization.
  - Electronically reassigned all staff members accordingly.
  - Electronically reassigned all files to correct staff member/division.
  - Ability to electronically reassign files on a group basis.
  - Application of new billing rates in accordance with new organization.
  - Addition of new time record from the 16th to the end of month.
  - Addition of new time billing functionality which allows for 120 contract staff to accurately record time billing.
  - Application of all new divisions to all reporting areas.

- **County Counsel First Wave Enhancements:** Modifications are currently being made to RMIS to accomplish Priority 1 Enhancements as identified in the February 28, 2005 Board memorandum.

  Enhancements have included or will include:

  - Archive/purge designated Children's Services Dependency files.
  - Implement system to assure the proper data entry of designated file numbers for Children's Services Dependency Division, including the addition of a drop-down box.
  - Allow for the ability to easily distinguish a litigated file from a non-litigated file on all payment request screens.
  - Report all pertinent information for judgment and settlement payment requests.
  - Allow for the tracking of an outside law firm's minority business enterprise status.
  - Allow for the capability to distinguish between status of relationship with the County (i.e., tendered, contracted, etc.).
  - Allow for additional tracking of dates during the payment process which were previously being tracked by an outside software system (CLAW).
  - Allow for the capability to view time billing across divisions.
  - Add data field(s) to the file tabs to accommodate requests by the Litigation Cost Manager.