



County of Los Angeles
CHIEF EXECUTIVE OFFICE

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SACHI A. HAMAI
Chief Executive Officer

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August 2, 2016

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

From: Sachi A. Hamai
Chief Executive Officer

**REQUEST FOR EXTENSION: JOB ORDER CONTRACTS REVIEW (ITEM NO. 2,
AGENDA OF JUNE 14, 2016)**

On June 14, 2016, on a motion by Supervisor Knabe, the Board directed the Chief Executive Officer (CEO), in coordination with the Auditor-Controller and all departments that utilize Job Order Contracts (JOCs), to report back in 45 days on the following:

1. The percent of JOC projects over the last year that exceeded the initial project cost estimate, due to change orders or fees for specialty items not listed in the price book;
2. The process by which departments evaluate requests by JOC contractors for change orders and fees for specialty items;
3. The frequency with which contractors made unreasonably low bids for JOCs, and whether the County was warned about these low bids by The Gordian Group, with whom the County contracts to help administer JOCs; and
4. A thorough review of the concerns raised in the audit released by the City of Long Beach's Auditor on May 25, 2016, and identification if similar concerns exist within the County's use of JOCs, with recommended corrective actions if any similarities are found.

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This office, working in conjunction with the Auditor-Controller, has requested JOC-related contract and work order information from the Departments of Public Works, Internal Services, Parks and Recreation, the Community Development Commission/Housing Authority, as well as the County's contractor, The Gordian Group. CEO and Auditor-Controller's staff also requested and received software training from The Gordian Group to operate the JOC work order tracking system that is used by the above County agencies.

Due to the extensive data received from the above mentioned agencies, additional time will be needed to thoroughly review the submitted information, assess the processes and procedures that are put in place by the County agencies, and determine if the concerns raised in the Long Beach's audit report are properly addressed in the County. We are, therefore, requesting a 90-day extension to complete the Board Motion and report back on our findings by October 18, 2016.

Should you have any questions regarding this request, please contact David Howard at (213) 893-2477, or dhoward@ceo.lacounty.gov.

SAH:JJ:DPH
FC:acn

c: Executive Office, Board of Supervisors
County Counsel
Community Development Commission/Housing Authority
Internal Services
Parks and Recreation
Public Works