COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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IN REPLY PLEASE
REFER TO FILE

MARK PESTRELLA, Director

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

37   December 11, 2018

December 11, 2018

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

Dear Supervisors:

CELIA ZAVALA
EXECUTIVE OFFICER

**WATER RESOURCES CORE SERVICE AREA
SERVICES CONTRACT
SOLE-SOURCE AMENDMENT
TO UPGRADE INTERACTIVE VOICE RESPONSE COMPONENT OF COMPREHENSIVE
CUSTOMER INFORMATION SYSTEM
(SUPERVISORIAL DISTRICTS 3, 4, AND 5)
(3 VOTES)**

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

SUBJECT

Public Works is seeking Board approval of Sole-Source Amendment No. 1 to Agreement No. 001908 with N. Harris Computer Corporation for an upgrade to the Interactive Voice Response component of the Los Angeles County Waterworks Districts' Comprehensive Customer Information System.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the supplemented contract work in this Board letter is not a project pursuant to the California Environmental Quality Act.

2. Approve and delegate authority to the Director of Public Works or his designee to execute Sole-Source Amendment No. 1 to Agreement No. 001908 with N. Harris Computer Corporation to provide enhanced functionality to the Interactive Voice Response component of the Customer Information System and to update related service-level requirements.

3. Authorize an increase of $177,900 in the maximum contract sum of $4,307,133 to $4,485,033 under Agreement No. 001908 for the remaining 2-year term of Agreement No. 001908 and the 5-year renewal option, if exercised.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to amend Agreement No. 001908 with N. Harris Computer Corporation (Contractor) to upgrade the Interactive Voice Response (IVR) component of the Customer Information System (CIS). The IVR is proprietary software that provides the Los Angeles County Waterworks Districts' customers with the option to pay their water bills and access account information through an automated telephone system and to receive automated notifications of water service disruptions. The upgrade will replace the aging, on-premises IVR with a new Contractor-hosted version that will improve the IVR's performance and provide enhanced features for customer notifications.

Implementation of Strategic Plan Goals

The County Strategic Plan directs the provisions of Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability, and Strategy III.4, Engage and Share Information with our Customers, Communities, and Partners.

The IVR system provides a critical channel of communication with the Los Angeles County Waterworks Districts' customers. The Contractor has the specialized expertise to provide these services accurately, efficiently, timely, and in a responsive and cost-effective manner.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

The $177,900 increase to the maximum contract sum pursuant to the recommended Amendment No. 1 (Enclosure A) includes: (1) $50,500 for initial migration to a Contractor-hosted IVR system, integration, and software configuration; (2) $36,400 for the increase in ongoing maintenance and support of the IVR through the remaining 2-year term of the contract; and (3) $91,000 for the increase in ongoing maintenance and support of the IVR through the 5-year renewal option, if exercised.

Funding for the initial migration and the first year of the remaining 2-year term of the contract will be financed from the Los Angeles County Waterworks Districts' General Funds Fiscal Year 2018-19 Budgets. Financing for subsequent years will be made available through the annual budget process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The recommended Amendment No. 1 allows for continued integration between the IVR, the other components of the CIS, and other related applications without incurring additional time and cost to seek a new IVR product and service provider. Additionally, the IVR is a proprietary software that is

integrated into the Waterworks CIS system and the equipment is required to be serviced by the original equipment manufacturer or an authorized service representative.

The recommended Amendment No. 1 updates the contract to incorporate County-mandated provisions, such as compliance with the County's Zero Tolerance Policy on Human Trafficking. Additionally, Amendment No. 1 adds related service-level requirements pertaining to hosting of the new IVR.

After extensive negotiations with the Contractor and consultation with the County's Chief Executive Office Risk Management and County Counsel, Public Works is willing to incorporate provisions into Amendment No. 1 that limit the Contractor's liability for certain IVR-related claims to fees paid by the County to the Contractor and to exclude the Contractor's liability for consequential, incidental, indirect, and special damages. Public Works made this determination based upon its analysis of potential liability exposure and the need to maintain the IVR for the Los Angeles County Waterworks Districts' customers.

In accordance with Board Policy 5.100, the Sole-Source Checklist is enclosed (Enclosure B).

County Counsel has approved Amendment No. 1 as to form. The Chief Information Office has reviewed the Board letter and recommends approval. The Chief Information Office's Analysis is enclosed (Enclosure C).

ENVIRONMENTAL DOCUMENTATION

In accordance with Section 15378(b) of the California Environmental Quality Act (CEQA) Guidelines, approval of the recommended action does not constitute a project because it is an administrative and organizational activity that will not result in any direct or indirect physical changes in the environment and, hence, is not subject to the requirements of CEQA.

CONTRACTING PROCESS

On February 17, 2009, the Board approved Agreement No. 001908 with the Contractor for a CIS solution for an initial term of 5 years after the Go Live date and two 5-year renewal options for maintenance service. The initial term ended on January 16, 2016. The agreement is currently in the third year of the first 5-year renewal option. The first 5-year renewal option will expire on January 16, 2021. The second 5-year option, if exercised, will expire on January 16, 2026.

In compliance with Board Policy 5.100 (Sole-Source Contracts), Public Works and County Counsel presented the Advanced Notification of Intent to Negotiate a Sole-Source Amendment with the Contractor at the Operations Cluster and provided advanced notification to the Board on December 19, 2017. County Counsel retained Drukker Law to work in conjunction with County Counsel regarding the recommended amendment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The approval of the recommended Amendment No. 1 will allow for the continued provision of an IVR system to the Los Angeles County Waterworks Districts and their customers and will not result in the

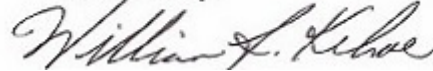displacement of any County employees.

CONCLUSION

Please return one adopted copy of this letter to Public Works, Waterworks Division.

Respectfully submitted,

MARK PESTRELLA

Director

Reviewed by:

WILLIAM KEHOE

Chief Information Officer

MP:AA:ir

Enclosures

c: Chief Executive Office (Chia-AnnYen)
    Chief Information Office (Eric Sasaki)
    County Counsel (Carole Suzuki)
    Executive Office

AMENDMENT NUMBER ONE
TO AGREEMENT
BY AND BETWEEN
THE COUNTY OF LOS ANGELES
AND
N. HARRIS COMPUTER CORPORATION
FOR
A COMPREHENSIVE CUSTOMER INFORMATION
SYSTEM (CIS) SOLUTION (2008-IT020)

This Amendment Number One (hereinafter also "Amendment No. 1") is entered into this _____ day of _____, 2018 (hereinafter "Amendment No. 1 Effective Date") by and between the County of Los Angeles (hereinafter "County") and N. Harris Computer Corporation (hereinafter "Contractor") and amends that certain Agreement Number 2008-IT020, dated February 26, 2009, by and between County and Contractor for a Comprehensive Customer Information System (CIS) Solution, as modified by all Amendments, Change Notices and Change Orders thereto, including without limitation by this Amendment No. 1 (hereinafter together with all Exhibits and Schedules thereto "Agreement").

WHEREAS, on February 26, 2009, County and Contractor entered into the Agreement for an Initial Term commencing from the Effective Date of the Agreement until five (5) years from the System's live production use, with two (2) five-year extension options and a maximum contract amount, which includes $2,750,000 for the Initial Term, $730,000 per each optional five-year extension, annual cost of living adjustment and a ten percent (10%) contingency; and

WHEREAS, the Interactive Voice Response component (hereinafter defined as the "IVR component") of the CIS is no longer supported by the subcontractor providing the IVR, and Contractor is not required to provide and maintain, at no additional cost to County, a replacement product after the Initial Term of the Agreement, which ended on January 16, 2016; and

WHEREAS, County exercised the first five-year extension option until and through January 16, 2021; and

WHEREAS, County and Contractor agree pursuant to the terms of this Amendment No. 1: (1) for Contractor to upgrade the IVR component of the CIS, to migrate it to a Contractor-hosted environment, and to provide maintenance and support for the IVR component; (2) to increase the Maximum Contract Sum under the Agreement accordingly; (3) to update and/or add as necessary certain other related provisions such as service level requirements and security provisions, including County's Data Encryption Policy; and (4) to make the other changes to the Agreement described herein; and

WHEREAS, this Amendment No. 1 is entered into in accordance with the applicable provisions of Paragraph 6 (Change Notices and Amendments) of the body of the

Agreement.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Contractor hereby agree to amend the Agreement as provided below.

1.   The Agreement is hereby incorporated by reference, and all of its terms and conditions including capitalized terms defined therein, including this Amendment No. 1, shall be given full force and effect as if fully set forth herein. Capitalized terms used herein without definition (including in the recitals hereto) shall have the meanings given to such terms in the Agreement. Furthermore, unless otherwise noted, Paragraph references in this Amendment shall refer to Paragraphs of the body of the Agreement.

2.   Paragraph 2.40 under Paragraph 2.0 (Definitions) of the body of the Agreement is deleted in its entirety and replaced with Paragraph 2.40 revised to read as follows:

   2.40   "Integrated System," "System," or "CIS" means Customer Information System (CIS), including Contractor's CIS, eCare, mCare, EIS, and Kiosk modules; the IVR component; and all other System Software, System Hardware, and Interfaces to existing and proposed County Systems; as required and identified by this Agreement and the Statement of Work, which additionally includes add-on modules, modifications, and Interfaces purchased or licensed by County from time to time under this Agreement.

3.   Paragraph 2.58 under Paragraph 2.0 (Definitions) of the body of the Agreement is deleted in its entirety and replaced with Paragraph 2.58 revised to read as follows:

   2.58   "System Software" means the Baseline Software, and the computer programs conceived, acquired, licensed, created, or developed by Contractor of all of Contractor's obligations pursuant to this Agreement, including the Contractor's CIS, eCare, mCare, EIS, and Kiosk modules; the IVR component; other application programs; other Third Party Software; Customizations; Interfaces, Updates; Custom Programming Modifications, extensions, and components provided from time to time.

4.   Paragraphs 2.68 and 2.69 are added to the end of Paragraph 2.0 (Definitions) to read as follows:

   2.68   "Amendment No. 1 Effective Date" has the meaning given to such term in that certain Amendment Number One dated as of _____ ____, 2018, to Agreement Number 2008-IT020, dated February 26, 2009, by and between County and Contractor.

   2.69   "IVR component" means the Interactive Voice Response component of the CIS, including all System Software and System Hardware therein.

5.   Paragraph 13.1.8 under Paragraph 13 (Maintenance, Support, and Additional Services) of the body of the Agreement is deleted in its entirety and replaced with

Paragraph 13.1.8 revised to read as follows:

13.1.8 If Contractor phases out or retires the software product, other than the IVR component which is addressed in Schedule B.2 (Service Level Requirements for IVR Component), during the term of the Agreement, Contractor shall continue to provide maintenance and support services to the County for the existing version of the software product with no lapse in service throughout the first Option Term and the second Option Term, if fully exercised by the County.

6. Paragraph 13.5 (Maintenance Services for IVR Component) is added to the end of Paragraph 13 (Maintenance, Support, and Additional Services) to read as follows:

13.5 Maintenance Services for IVR Component. From and after the Amendment No. 1 Effective Date, in addition to the services described in Paragraphs 13.1 (Maintenance Services), 13.2 (Correction of Deficiencies), and 13.3 (Updates), Contractor's provision of Maintenance Services as it relates to the IVR component of the CIS shall include all Work described in Schedule B.2 (Service Level Requirements for IVR Component).

7. Paragraph 13.8.5 (Intellectual Property) under Paragraph 13 (Indemnification and Insurance) of Exhibit A (Additional Terms and Conditions) is deleted in its entirety and replaced with Paragraph 13.8.5 (Technology Errors and Omissions) to read as follows:

13.8.5 Technology Errors and Omissions

Insurance, including cover for liabilities arising from errors, omissions or negligent acts in rendering or failing to render computer or information technology services and technology products. Coverage for violation of software copyright should be included. Technology services should at a minimum include (1) systems analysis, (2) systems programming, (3) data processing, (4) systems integration, (5) outsourcing including outsourcing development and design, (6) systems design, consulting, development and modification, (7) training services relating to computer software or hardware, (8) management, repair and maintenance of computer products, networks and systems, (9) marketing, selling, servicing, distributing, installing and maintaining computer hardware or software, (10) data entry, modification, verification, maintenance, storage, retrieval or preparation of data output, and any other services provided by Contractor, with limits of $5 million.

8. Paragraph 13.8.6 (Privacy/Network Security (Cyber) Insurance) is added at the end of Paragraph 13 (Indemnification and Insurance) of Exhibit A (Additional Terms and Conditions) to read follows:

13.8.6 Privacy/Network Security (Cyber) Insurance

> Privacy/Network Security ("Cyber") liability coverage providing protection against liability for (1) privacy breaches (liability arising from the loss or disclosure of confidential information no matter how it occurs), (2) system breach, (3) denial or loss of service, (4) introduction, implantation or spread of malicious software code, (5) unauthorized access to or use of computer systems, with limits of $5 million. No exclusions/restrictions for unencrypted portable devices/media may be on the policy. The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status.

9. Paragraph 54 (Compliance with County's Zero Tolerance Policy on Human Trafficking) is added at the end of Exhibit A (Additional Terms and Conditions) to read follows:

54. COMPLIANCE WITH COUNTY'S ZERO TOLERANCE POLICY ON HUMAN TRAFFICKING

> Contractor acknowledges that the County has established a Zero Tolerance Policy on Human Trafficking prohibiting contractors from engaging in human trafficking.

> If a Contractor or member of Contractor's staff is convicted of a human trafficking offense, the County shall require that the Contractor or member of Contractor's staff be removed immediately from performing services under the Agreement. County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

> Disqualification of any member of Contractor's staff pursuant to this Paragraph shall not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

10. Paragraph 55 (Time Off for Voting) is added at the end of Exhibit A (Additional Terms and Conditions) to read follows:

55. TIME OFF FOR VOTING

> To the extent applicable, Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (California Elections Code Section 14000). Not less than ten (10) calendar days before every statewide election, every Contractor and subcontractor shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of California Elections Code Section 14000.

11. The County and Contractor recognize that circumstances may arise entitling the either party ("Non-breaching Party") to damages for breach or other fault on the part of the other party ("Breaching Party") arising from the Work added to this

Agreement pursuant to Amendment No. 1 ("IVR Component Work"). The parties agree that in all such circumstances the Non-breaching Party's remedies and the Breaching Party's liabilities will be limited as set forth below and that these provisions will survive notwithstanding the termination or other discharge of the obligations of the parties under this Agreement.

    A.   TO THE GREATEST EXTENT PERMITTED BY LAW, EXCEPT FOR DAMAGES RELATED TO (a) BREACH OF CONTRACTOR'S CONFIDENTIALITY OBLIGATIONS UNDER PARAGRAPH 3 (CONFIDENTIALITY) OF EXHIBIT A (ADDITIONAL TERMS AND CONDITIONS) TO THIS AGREEMENT, (b) GROSS NEGLIGENCE OR WILLFUL MISCONDUCT BY OR ON BEHALF OF CONTRACTOR, (c) CONTRACTOR'S INTELLECTUAL PROPERTY INDEMNIFICATION OBLIGATIONS UNDER PARAGRAPH 14 (INTELLECTUAL PROPERTY INDEMNIFICATION) OF EXHIBIT A (ADDITIONAL TERMS AND CONDITIONS) TO THIS AGREEMENT, (d) DAMAGE TO TANGIBLE PROPERTY, OR (e) DEATH OR INJURY TO PERSONS, THE AGGREGATE LIABILITY OF EITHER PARTY FOR ALL CLAIMS, SUITS, ACTIONS AND PROCEEDINGS HOWSOEVER ARISING, DIRECTLY OR INDIRECTLY, UNDER OR RELATING TO THE IVR COMPONENT WORK, INCLUDING THOSE BASED ON BREACH OR RESCISSION OF CONTRACT, TORT, BREACH OF TRUST, OR BREACH OF FIDUCIARY DUTY SHALL NOT EXCEED, IN THE AGGREGATE, THE FEES PAID BY COUNTY TO CONTRACTOR FOR THE IVR COMPONENT WORK.

    B.   IN ADDITION TO THE FOREGOING, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY CLAIMS FOR CONSEQUENTIAL DAMAGES, INCIDENTAL DAMAGES, INDIRECT DAMAGES, SPECIAL DAMAGES, AGGRAVATED DAMAGES, LOSS OF REVENUE, LOSS OF PROFITS, FAILURE TO REALIZE EXPECTED SAVINGS, LOSS OF DATA, LOSS OF BUSINESS OPPORTUNITY EITHER UNDER OR RELATING TO THE IVR COMPONENT WORK, WHETHER BASED ON BREACH OR RESCISSION OF CONTRACT, TORT, BREACH OF TRUST, OR BREACH OF FIDUCIARY DUTY EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE LIKELIHOOD OF THE OCCURRENCE OF SUCH DAMAGES AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

12.   To ensure that the current IVR component is maintained and supported during the time period extending from the Amendment No. 1 Effective Date through Contractor's completion of all Work under Production Go-Live (as defined in Schedule B.1 (Supplement to Exhibit B (Statement of Work)) to Exhibit B (Statement of Work) to the Agreement, Contractor agrees to provide Maintenance Services with respect to the current IVR component during this time period, at no additional cost to the County.

13.   To add Work regarding upgrade of the IVR component of the CIS and migration to

a Contractor-hosted environment, Exhibit B (Statement of Work) to the Agreement is supplemented with Schedule B.1 (Supplement to Exhibit B (Statement of Work)) to add Section 5 (IVR System Upgrade), attached hereto and incorporated by reference. All references to Exhibit B (Statement of Work) in the Agreement shall be deemed to include Schedule B.1 (Supplement to Exhibit B (Statement of Work)) for all purposes.

14. To add service level requirements for ongoing hosting, maintenance, and support of the IVR component of the CIS, Schedule B.2 (Service Level Requirements for IVR Component) is added under Exhibit B (Statement of Work) to the Agreement, attached hereto and incorporated herein by reference.

15. To provide for amounts that may be payable by County to Contractor in accordance with the Agreement from and after the Amendment No. 1 Effective Date through expiration of the Term and during the remaining Option Term (if elected by County in accordance with the Agreement), and to provide for the amended Maximum Contract Sum following this Amendment No. 1, Schedule 1 (Supplemental Schedule of Pricing and Payments) is added to the Agreement, attached hereto and incorporated herein by this reference. The parties agree that Paragraphs 8 (Prices and Fees) and 10 (Invoices and Payments), as well as all other provisions of the Agreement, shall govern Contractor's ability to submit invoices and receive payment for the amounts set forth in Schedule 1 (Supplemental Schedule of Pricing and Payments).

16. County and Contractor hereby represent and warrant that the person executing this Amendment No. 1 on behalf of each party is an authorized agent of such party having actual authority to bind such party to every term, condition and obligation of this Amendment No. 1, and that all requirements of such party have been fulfilled to provide such person with actual authority.

17. This Amendment No. 1 shall be governed by and construed in accordance with the laws of the State of California applicable to agreements made and to be performed within that State.

18. Except as provided in this Amendment No. 1, all other terms and conditions of the Agreement shall remain unchanged and in full force in effect.

IN WITNESS WHEREOF, County and Contractor by their duly authorized signatures have caused this Amendment Number One to Agreement Number 2008-IT020 to be effective on the day, month and year first above written.

COUNTY OF LOS ANGELES

By: _____
        Director of Public Works

APROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: _____
        Deputy County Counsel

CONTRACTOR
N. HARRIS COMPUTER CORPORATION

By: _____

Printed Name: _____

Title: _____

SCHEDULE B.1

SUPPLEMENT TO EXHIBIT B

(STATEMENT OF WORK)

ADDED UNDER AMENDMENT NUMBER ONE

[SEE ATTACHED]

SCHEDULE B.2

SERVICE LEVEL REQUIREMENTS FOR IVR COMPONENT

ADDED UNDER AMENDMENT NUMBER ONE

[SEE ATTACHED]

SCHEDULE 1

SUPPLEMENTAL SCHEDULE OF PRICING AND PAYMENTS

ADDED UNDER AMENDMENT NUMBER ONE

[SEE ATTACHED]

SCHEDULE B.1

SUPPLEMENT TO EXHIBIT B (STATEMENT OF WORK)

This Schedule B.1 (Supplement to Exhibit B (Statement of Work)) is attached to and supplements that certain Exhibit B (Statement of Work) to that certain Agreement No. 2008-IT020, dated as of February 26, 2009 (together with all exhibits and schedules thereto, all as amended from time to time "Agreement"), between the County of Los Angeles ("County") and N. Harris Computer Corporation ("Contractor"). Capitalized terms used herein without definition have the meanings given to such terms in the Agreement.

5. IVR SYSTEM UPGRADE

Contractor shall upgrade the IVR component of the CIS ("IVR System Upgrade") by completing all tasks and meeting all requirements specified in this Section 5 of the Statement of Work below. The applicable of Contractor's Deliverables shall be deemed complete and eligible for submission of an invoice in accordance with Schedule 1 (Supplemental Schedule of Pricing and Payments) to Amendment No. 1 and the Agreement upon their completion by Contractor and approval by County in accordance with the terms of the Agreement.

5.1 SCOPE OF IVR SYSTEM UPGRADE

As part of the IVR System Upgrade, Contractor shall perform the following tasks:

5.1.1 Gather requirements, review processes, and conduct an in depth needs analysis.

5.1.2 Prepare and submit written requirements pertaining to the IVR component implementation documenting how the requirements will be met by the IVR component.

5.1.3 Install the IVR component in the hosting environment and perform all configuration and other Work necessary to enable it to meet the requirements and otherwise comply with the Agreement, including this Exhibit B. This includes all Work described in Section 5.1 of this Exhibit B.

5.1.4 Configure the IVR component to operate on the latest approved version of the IVR software.

5.1.5 Configure the IVR component to comply with Payment Card Industry Data Security Standards and to operate on certified and current security patches to maintain a secure payment transaction platform.

5.1.6 Configure new, change existing, and migrate phone call tree and voice recordings.

5.1.7 Configure pre-recorded IVR component prompts to the County's customers in English and Spanish. The IVR will default to English and provide the Spanish option (in Spanish) as "Press 2" for Spanish call flow. Contractor to provide County with an updated call flow diagram in English and Spanish.

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5.1.8 Configure the IVR component with the option to provide a missing contact phone number and the function to update it.

5.1.9 Configure IVR component to provide the County's customers access to general utility account status, balance information, and to make a payment on their WaterWorks account by credit card or check and receive a generated confirmation number.

5.1.10 Configure the Outbound Communication Manager (outbound phone notifications). The Outbound Communication Manager will note in CIS the final status of the outbound phone notifications to the customers. Enable an outbound message to include an option for call recipients to press 2 to make a payment.

5.1.11 Configure the Pre-amble function to allow for a secondary message at the beginning of the call (i.e. time sensitive message).

5.1.12 Configure IVR component cash only restrictions from the CIS "CASH ONLY" flag and Cash Only Comment Type for a customer.

5.1.13 Configure the IVR component Application Program Interface (API) will be installed on a Web server within the County's data center and connected to the County's CIS.

5.1.14 Configure the IVR component to provide customer consumption details via the Advance Utility System (AUS) API / CIS Database.

5.1.15 Configure the CIS comment code to determine whether an account is payable on the IVR component and/or the acceptable payment method allowed using data provided by the AUS API.

5.1.16 Configure the IVR component's hosted solution to include existing integrations with the County's current IVR system currently provided by Fidelity Information Services (FIS). The Work regarding the IVR System Upgrade includes all Work necessary in order for the IVR components to fully integrate with the County's current IVR system and to allow the County's current IVR system to successfully process payments initiated through the IVR component.

5.1.17 The County's phone system will process any after-hours conditions (no other types of call transfers are provided by the existing IVR). Configure the IVR component for a time-based transfer option: A customer may "Press 0" on their phone which transfers them to the County's radio room outside of normal business hours, or to the County's customer service center during normal business hours.

5.1.18 Configure the Payment Arrangements feature (A.K.A. "Payment Extension") to use the functionality offered by the AUS API with data correctly populated by County. Customers who are not eligible for an extension on their due date because of an existing request will receive the

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appropriate IVR component messaging which will include a read back of the current due date (value of ArrangementDate in GetAccountData). If the customer is eligible, the IVR component will submit an API request (CreateArrangement) to advance the due date by a predefined number of days and read it to back to the customer. If successful, the customer will receive the new due date. Payment restrictions can be enforced based on Active Comments exposed by the AUS API.

5.1.19 Configure a second verifier to be used along with an account number to access account details (common examples are numeric portion of street address, customer number or additional numeric options available in the API).

5.1.20 Configure all existing IVR functionality into the upgraded IVR component, except for the following:

1. Hosted IVR component cannot front end customer service; the County's current phone system will front end the solution and transfer callers to a single, toll-free number provided by the Contractor for the hosted IVR component.

2. The County cannot transfer calls to other departments inside the hosted IVR component; the County's current phone system will need to route calls.

5.2 PROJECT SCHEDULE

Contractor shall submit an implementation schedule for IVR System Upgrade delineating all activities, tasks, subtasks, phases, decision points, and responsibilities of Contractor and the County management, users and technical personnel, which shall meet the requirements of Section 1.1 (Project Schedule) of this Exhibit B.

5.3 PROJECT IMPLEMENTATION PLAN

The Contractor shall prepare and maintain the Project Implementation Plan outlining all activities and resources, including all outside resources, required for successful IVR System Upgrade implementation. The Project Implementation Plan will be used throughout the IVR System Upgrade by the Contractor and the County to monitor the day-to-day progress and ensure the successful final implementation of the IVR System Upgrade. The Project Implementation Plan must be approved by the County prior to the start of Task 14 – Provide IVR System Upgrade.

5.4 PROJECT MANAGEMENT

Contractor shall be responsible for managing the overall IVR System Upgrade implementation effort, including activities conducted by all mutually agreed to subcontractors, as provided in Subtask 14.1 (**Project Start Up and Project Management**) of this Exhibit B.

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N. Harris Computer Corporation

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5.5 TESTING

Contractor will be responsible for conducting comprehensive IVR component testing utilizing the Contractor's hosted development and production IVR environments. Though Contractor is responsible for all testing, however, verification testing by the County shall be allowed to take place at the County's sole discretion. A Comprehensive Testing Plan, including all phases of product testing, must be developed by Contractor and approved by the County prior to start of the IVR System Upgrade. The Testing Plan and IVR system testing shall meet the requirements of **Subtask 14.3 – Testing**) of this Exhibit B.

5.6 DATA CONVERSION AND MIGRATION

Contractor shall review migration requirements and determine which features, data, and processes are required in the new IVR component in addition to existing functionality. County will review and approve all migration before the Contractor proceeds. Contractor shall migrate all existing functionality and necessary data into the IVR component. This includes all functions and features and data unless explicitly identified by the Contractor. Contractor shall migrate all existing IVR component script changes including voice recordings and phone call tree changes. All future modifications shall be provided at no additional cost.

5.7 PRODUCT REPORTING

Contractor shall provide call usage reports indicative of the County's usage and other metrics deemed useful by the County.

5.8 PRODUCT INTERFACE

Contractor shall use existing configuration and tools available in CIS and IVR component for all product Interfaces and functions. Custom code or other non-standard methods of integration shall be discussed with the County for approval prior to the start of Interface work. The IVR component shall interface with the County's payment processor FIS for all payment transactions generated from the IVR component. The interface will integrate through the appropriate APIs. All required customer information shall come from the County CIS interface using the appropriate APIs. Contractor to maintain compatibility with FIS at no cost to the County throughout the Term.

5.9 STABILIZATION PERIOD

After Go-Live of the IVR component of the CIS and all IVR system defects have been successful resolved to the satisfaction of County for a period of at least thirty consecutive (30) days, Contractor must provide immediate production critical support for County for a minimum of 120 days of operation, herein referred to as the Product Stabilization Period. In addition, Contractor will perform a post Go-Live review to identify production issues and develop an action plan and associated timeline to address these issues. Contractor shall correct any defects that are identified or that remain after the Go-Live, analyze and resolve support problems,

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N. Harris Computer Corporation

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configuration problems and business process issues, monitor system performance and perform and document additional system tuning as necessary to meet the requirements of the Agreement.

5.10   FINAL ACCEPTANCE

Final Acceptance of the IVR System Upgrade will only occur after completion of a successful Product Stabilization Period of 120 days, which may be extended beyond one hundred twenty (120) days in the County's sole discretion. Within the Product Stabilization Period, the County may designate a thirty-day window to measure performance of the IVR component in accordance with predefined performance criteria. If any of the performance criteria are not met within the Project Stabilization Period, the Final Acceptance of the IVR component may be extended at the County's discretion.

5.11   TASK 14 – IVR SYSTEM UPGRADE

Subtask 14.1 - Project Start Up and Project Management

The project start-up commences upon County issuance of Notice to Proceed.

Contractor shall arrange and conduct a Project Kick-off Meeting and weekly project management meetings (or additional as needed) with County, and affected business partners as deemed necessary by Contractor, to accomplish the tasks and subtasks of the Project. These meetings shall include conducting status meetings with County to review Project progress, discuss any issues that are impeding Work progress, and review Work to be performed in the upcoming months, and can be performed onsite or remotely, as agreed to by County.

Contractor shall attend and direct all meetings and prepare minutes for any Project meeting and distribute a copy to all participants. Contractor team members that attend the meeting remotely shall be equipped with the necessary online tools to assist County staff as needed during and subsequent to the meeting. Contractor Project Manager and County shall coordinate the preparation of meeting minutes summarizing each discussion and action item.

Contractor will also be required to make technical presentations, which includes the use of presentation materials and the distribution of handouts, as needed, at any meeting as requested by County. Contractor shall obtain prior approval from County on any presentation and handout materials to be distributed at any technical presentation of the Project. County shall be provided with an electronic copy of the distributed materials.

Contractor shall prepare a Project Implementation Plan that describes in detail and the implementation strategy, the steps needed to implement all the tasks and subtasks, and the required number and types of resources needed to complete each task and subtask. The Plan should be developed into a resource loaded electronic project schedule and include a Resource Allocation Plan.

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As part of the standard Project Management tools used by Contractor, a Testing Plan will be prepared by Contractor that includes all phases of testing required through implementation.

Contractor shall prepare and submit written Weekly Progress Reports to County detailing the status of Work being performed by Contractor. The reports shall include, but not be limited to:

- A narrative of the tasks accomplished in that week;

- A review of any incomplete tasks and the reasons why they were not completed, and new completion dates;

- An outline of the tasks anticipated to be accomplished in the next week;

- A summary of problems which occurred during the past week;

- Any anticipated problems and possible solutions;

- An updated Project schedule - Contractor to provide regular project schedule and plan updates whenever there is a significant project change;

- A list of outstanding issues and deliverables;

- The status of those issues and deliverables;

- An invoice as required by this Agreement;

- Detailed status report on all action items from previous project meetings.

- A Testing plan encompassing all testing phases/steps.

The Contractor's Project Team will conduct all work off-site. The requirements phase will require discussions with County Subject Matter Experts on topics that will drive the configuration, testing, and training phases of the project.

Deliverables:

- Provide Kick-off Meeting

- Provide weekly project management meeting materials and minutes

- Provide a Technical Requirements document for approval by County;

- Provide a Project Implementation Plan for approval by County;

- Provide a Comprehensive Testing Plan for approval by County;

- Provide a Cut Over to Live Plan for approval by County;

- Provide a detailed Implementation Schedule in Microsoft Project.

- Provide Weekly Progress Reports.

Subtask 14.2 – Install and Configure IVR Component

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Install the IVR component in the hosting environment and perform all configuration and other Work necessary to enable it to meet the requirements and otherwise comply with the Agreement, including this Exhibit B. This includes all Work described in Section 5.1 of this Exhibit B.

Deliverables:

- Provide installed and configured IVR component

Subtask 14.3 – Training Plan (Core Team Training)

Contractor will provide to County a complete Training Plan for Administrators and IVR Core Team members. The Training Plan will detail all training classes, training hours, skill level, materials, and content needed to successfully train the County staff prior to Go-Live and post Go-Live.

Contractor will develop schedule and distribute schedule for training sessions at least one month in advance of training session date. Contractor will conduct training sessions as soon as practical after the IVR component is operational within the development environment so that the staff can become familiar with system operation before Go-Live of the IVR component. Training shall be conducted on-line using a platform compatible with the County. Trainees will be provided with handouts of all presentations and appropriate documentation. County will review and approve training materials to determine which users should attend each of the training sessions and the appropriate level of the material.

County reserves the right to record (audio and video) training sessions to be reviewed and reused for future training needs.

Deliverables:

- Provide a Training Plan with a comprehensive schedule to be approved by County.

- Complete all required Core Team training classes (hours as shown in the Training Plan).

- Provide instructor based training necessary for in-house IT specialists to maintain, modify, configure, and use the system. (System Administrators)

- Provide instructor based training for all members of the Core Team on-line via WebEx or some other compatible tool.

- Training Workbooks for each session with handouts of all presentations and appropriate documentation.

- Approval will be required on all training once complete.

Subtask 14.4 – Contractor Testing

Contractor testing shall include the IVR component, including all configurations, Interfaces, integrations, reports, screens, and payment functionalities (Credit Card

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and Check), to ensure the IVR component as a whole and all of its parts conform to the approved specifications and meet all requirements, Technical Requirements and the Project Implementation Plan documents.

Deliverables:

Contractor will provide test scripts based upon system functionality as identified in the final Technical Requirements and Project Implementation Plan documents. These test scripts shall be approved by County. Test scripts shall be provided in a format approved by County. Before any new release to County, Contractor runs the data and configuration through a rigorous quality assurance process, to help identify any issues prior to releasing the IVR component. A test script uses a test scenario or some other appropriate requirement as input and is a detailed step-by-step instruction list for a tester to follow to verify that the system can correctly accomplish the intended objective(s). A test script describes actions and displays screen interactions. Test scripts shall allow the tester to follow every relevant option and/or decision tree branch to its conclusion.

- Contractor will develop Integration Test Scenarios.

- Contractor will develop a stress and volume test plan. The plan will include testing to ensure that the IVR component has been configured according to data volume requirements and that the response time performance meets County requirements.

- Contractor shall conduct at least one workshop with appropriate County staff and provide a step-by-step testing process and describe expected outcomes for each functional requirement.

- Contractor will provide product fixes resulting from errors identified during the system testing process. Contractor will schedule a retest, and test until all fixes are validated by County and Contractor. Upon input of all of the necessary details related to an issue in Contractor's web-based issue tracking tool, Contractor will provide an update within a reasonable period of time (2 to 3 working days), via Web Conversation, including an estimated time in which the issue will be investigated and addressed.

Subtask 14.5 – User Acceptance Testing

This Work focuses on planning and execution of several dress rehearsals, and Go-Live planning. User Acceptance Testing (UAT) shall be coordinated and overseen by the Contractor. UAT shall have County staff designated by the County's Project Manager to perform the same system tests using the same test scripts as the Contractor used in the Contractor Testing subtask. Defects noted during Contractor Testing shall be corrected by the Contractor prior to commencing User Acceptance Testing.

A work plan and schedule covering the Go-Live weekend will be developed. This plan/schedule identifies all of the business and technical activities, which must

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occur leading up to production Go-Live, and all of the business and technical activities which must occur after production Go-Live. The plan identifies dependent tasks, assigns responsible resources, and must be approved by County. The plan should also include decision points, risk mitigation strategy, and contingency planning.

Contractor and County shall review test scripts from previous rounds of testing to create test scenarios for UAT. County will perform UAT with assistance from Contractor.

Contractor will fix and resolve issues and bugs raised by County during User Acceptance Testing.

Upon input of all of the necessary details related to an issue in Contractor's web-based issue tracking tool, Contractor will provide an update within a reasonable period of time (2 to 3 days), via Web Conversation, including an estimated time in which the issue will be investigated and addressed

Deliverables:

- Develop User Acceptance Tests Scenarios. Coordinate User Acceptance Testing with County and provide assistance during same.

- Contractor to provide a web based issue tracking tool for County to log Defects and System Deficiencies.

Subtask 14.6 – Production Go-Live and Product Stabilization

Production Go-live. This Work focuses on executing the Go-Live plan/schedule, which moves County from the existing IVR component test system to operation of the new IVR component production system. Contractor must obtain formal sign-off from County prior to scheduling go-live activities.

Go-Live Week. During the Go Live, the Contractor Project Manager shall coordinate all activities. A Contractor technical specialist will be available to assist in the Go-Live activities.

Upon Go-Live, Contractor will devote resources to fix Defects. After all Defects have been resolved and the IVR component of the CIS operates with no critical deficiencies for a period of at least thirty consecutive (30) days from successful completion of Go-Live, Contractor will provide immediate production critical support for a minimum of 120 days.

Product Stabilization Period. The Product Stabilization Period will continue for a minimum of 120 days after Go-Live. During this Product Stabilization Period, the IVR component of the CIS is in production operation. Contractor must fix all production problems, address workflow issues and train users as needed. Contractor will provide County with post Go-Live support to support County users through the Product Stabilization Period. A post Go-Live schedule will be mutually

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agreed upon to ensure a smooth transition from existing systems to the new IVR system, add-ons, interfaces, and modifications.

Deliverables:

- Go-Live Plan.

- Post Implementation Assessment and Action Plan. This document identifies and assesses those functional and technical areas that are considered "at-risk" for not functioning per County expectation. Contractor must prepare an Action Plan to resolve these missed expectations.

- Contractor will provide immediate production support on critical issues support during the first 120 days of operation.

- Contractor will assist County to perform a post-installation review to assist in identifying production issues.

- Contractor will create a Bug/Issues and Enhancement List and this will serve as the central repository for all bugs/issues and enhancements and should be designed to easily track, prioritize, and report the status of each one.

- Training sessions after Go-live utilizing project hours allocated for Post Go-Live support, and as defined in the Scope of Work.

- If additional on-site time is identified, both Project Managers will mutually agree to extend to ensure all issues are resolved, utilizing the change order process.

Subtask 14.5 – Provide Post Implementation Support

Contractor shall provide Post Implementation Support for IVR System Upgrade, which shall include, but not be limited to, the following:

- End user support.

- Help desk support.

- Analyzing and resolving production support problems.

- Analyzing and resolving application configuration.

- Assisting with Business Process Issues.

- Monitoring of system performance and tuning as necessary.

- Identify and implement agreed upon IVR component enhancements to remedy errors and increase efficiencies.

Deliverables:

- Contractor shall provide all deliverables as identified during the Go-Live process.

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Service Level Requirements for IVR Component

1. GENERAL

This Schedule B.2 (Service Level Requirements for IVR Component) is attached to that certain Agreement No. 2008-IT020, dated as of February 26, 2009 (together with all exhibits and schedules thereto, all as amended from time to time "Agreement"), between the County of Los Angeles ("County") and N. Harris Computer Corporation ("Contractor"). Capitalized terms used herein without definition have the meanings given to such terms in the Agreement.

2. SCOPE OF SERVICES

2.1 DESCRIPTION

This Schedule B.2 (Service Level Requirements for IVR Components) ("SLA") provides for ongoing hosting, maintenance, and support of the IVR component of the CIS. This Work is considered for purposes of the Agreement to be included in Contractor's provision of Maintenance Services as they relate to the IVR component of the CIS, but are referred to herein as "Subscription Services."

2.2 DEFINITIONS

"Active/Active Disaster Recovery" shall mean the architecture of the Computing Environment supports continuous operation. If there is IVR component downtime (planned or unplanned), the IVR component will fail-over to a redundant Computing Environment and continue to operate at full capacity.

"Authorized Contact" shall mean and refer to any County personnel authorized to report Deficiencies and to coordinate provision of Maintenance Services under this SLA.

"Computing Environment" shall mean the physical and virtual components of the Hosting Facility, including, but not limited to, telecommunications/network equipment, power sources, and servers provided by the Contractor.

"Customer Support" shall have the meaning specified in Section 4.2 (Customer Support).

"Disaster Recovery Site" shall mean a parallel Computing Environment that is equivalent to the primary Computing Environment.

"Hosting Facility" shall mean the physical location of the Contractor's Computing Environment.

"HTTPS" shall mean Hypertext Transfer Protocol Secure.

"Intrusion Detection System (IDS)" shall mean the monitoring of the IVR component for security threats, malicious activity, and/or policy violations.

"PCI-DSS" shall mean Payment Card Industry Data Security Standard.

"Response Time", as such term applies to the IVR component, shall mean the time elapsed for a transaction within the hosted gateway, as may be further specified in the this SLA.

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"Response Time Baseline" shall mean the applicable baseline for Response Time, as further described in this SLA.

"Response Time Deficiency" shall mean IVR component not responding within the prescribed Response Time Baseline, as further described in Section 4.4 (IVR component Performance Requirements).

"Scheduled Downtime" shall mean the IVR component cannot be accessed due to scheduled maintenance, including but not limited to preventive maintenance, updates, upgrades, scheduled reboots and restarts.

"SSH" shall mean Secure Shell network protocol.

"Support Hours" shall mean 365/366 days per year, 24 hours a day 7 days a week.

"Total Monthly Time" shall mean all minutes during Support Hours in any calendar month, excluding Scheduled Downtime.

"Two-Factor Authentication" shall mean employing multiple factors to confirm a user's identity.

"Unscheduled Downtime" shall mean the total combined amount of time during any calendar month, measured in minutes, during which the IVR component has a Severity One or Severity Two (as defined pursuant to Section 3.4 (Software Maintenance and Updates)) that is unresolved by Contractor, excluding Scheduled Downtime.

"UPS" shall mean Uninterruptible Power Supplies.

"Virtual Private Network (VPN)" shall mean a secure/encrypted connection over a less secure network.

3. **IVR COMPONENT MAINTENANCE AND HOSTING SERVICES**

    As a part of Subscription Services for the IVR component of the CIS, Contractor shall assume responsibility for the for all Work described below in this Section 3.

3.1 HOSTING FACILITY

    Contractor shall provide and assume all responsibility for the Computing Environment supporting the IVR component of the CIS.

    The Hosting Facility shall be at a minimum PCI-DSS certified and support a secure and reliable operation by utilizing: Multiple power sources, multiple telecommunications carriers, climate controlled systems to regulate air temperature within the computer rooms; continuous power to the Hosting Facility; redundant UPS; and generators rated for week-plus runtime before a refill is needed.

    Contractor shall repair, upgrade or replace software, hardware, network and all Computing Environment components during the Term such that the IVR component of the CIS shall perform in accordance with the Specifications and otherwise with the Agreement, including the warranties specified in this Agreement, and to support and be compatible with the IVR component's System Software including any Customizations provided by Contractor.

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3.2 OPERATIONS AND MONITORING

Contractor shall maintain a 24/7 operation 365 days per year. The Contractor shall monitor all components of the IVR for quality of service. All anomalies shall be reported through automated notification to the Contractor Technical Staff to ensure immediate remediation. All IVR component downtime including performance degradation shall be reported to the County via an automated email.

3.3 APPLICATION ADMINISTRATION

Applications provided under this agreement will be the responsibility of the Contractor. The Contractor will own and manage the application, related databases, operating systems, and Third Party Software. County shall have access to the software portal to run system reports, schedule out calling, and other software administration directly related to providing services to County customers.

3.4 SOFTWARE MAINTENANCE AND UPDATES

Contractor shall perform the services described in Paragraphs 13.1 (Maintenance Services), 13.2 (Correction of Deficiencies), and 13.3 (Updates) of the body of the Agreement with respect to the IVR component.

If Contractor phases out or retires the IVR component during the term of the Agreement, Contractor shall continue to provide Subscription Services to the County for the existing version of the software product with no lapse in service throughout the first Option Term and the second Option Term, if fully exercised by the County.

3.5 BACKUP AND DISASTER RECOVERY

Contractor shall maintain and implement Active/Active Disaster Recovery and avoidance procedures to ensure that the IVR component of the CIS is not interrupted during any catastrophic event that results in significant or potentially significant Unscheduled Downtime or disruption of the production Computing Environment rendering the primary production Computing Environment incapable of being recovered within the timeframe set forth in this SLA ("Disaster"). Contractor shall provide County with a copy of its current Disaster Recovery Plan and all updates thereto during the term of the Agreement. All requirements of this Agreement, including but not limited to those relating to security, personnel due diligence and training, shall apply to Contractor's Disaster Recovery Site.

Contractor or County may declare an event a Disaster. Upon occurrence or declaration of a Disaster, Contractor shall provide the services outlined herein and in the Disaster Recovery Plan. Contractor shall be subject to the following Service Level Requirements as part of Active/Active Disaster Recovery, which shall be contained in and are incorporated into the Disaster Recovery Plan:

1. Contractor shall have complete responsibility for continuation of service and restoration of the IVR component of the CIS and the CIS as a whole.
2. In the event of a Disaster declaration, Contractor shall be required to maintain regular and consistent communication with County about the outage and steps taken to restore the IVR component of the CIS and the CIS as a whole.

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3. County shall be able to logon to the Disaster Recovery Site instantaneously after the declaration of the Disaster by County or Contractor.
4. Contractor shall have 100% capacity instantaneous of the declaration of the Disaster by County or Contractor.
5. Contractor's failure to make a declaration of a Disaster within one hour (1) hour shall result in a Deficiency and deemed Unscheduled Downtime.

3.6 INFORMATION SECURITY

The Contractor shall manage the IVR component of the CIS at or above the requirements of this Agreement.

1. **System Security:** Contractor shall provide all Work utilizing security technologies and techniques in accordance with the industry standards, Contractor's best practices and applicable County security policies, procedures and requirements provided by County to Contractor in writing or otherwise as required by law, including those relating to the prevention and detection of fraud or other inappropriate use or access of systems and networks. Without limiting the generality of the foregoing, Contractor shall implement and use network management and maintenance applications and tools and fraud prevention and detection and encryption technologies and prevent the introduction of any disabling device into the System. In no event shall Contractor's actions or inaction result in any situation that is less secure than the security that Contractor then provides for its own systems and data. Without limiting the foregoing:
   a. **Intrusion Detection:** Contractor shall maintain an Intrusion Detection System (IDS). The IDS shall have both host-based and network-based components. Any unauthorized attempt to access the IVR component shall initiate alerts to Contractor Technology Staff. Log files shall be created and maintained to analyze any/all intrusion attempts.
   b. **Virus Protection:** Anti-virus software shall be current with the latest anti-virus definitions and used on all servers and computers.
   c. **Vulnerability Tests:** Contractor shall perform both annual and ongoing regular network application vulnerability tests and penetration tests (after system changes).
   d. **Firewalls:** Contractor shall employ multiple levels of firewalls to protect the Computing Environment, including an application firewall to safeguard against application level attacks.

2. **System Data Security:** Contractor hereby acknowledges the right of privacy of all persons whose information is stored in the System data or any other County data. Contractor shall protect, secure and keep confidential all System data in compliance with all applicable federal, state and local laws, rules, regulations, ordinances, and publicly known guidelines and directives, relating to confidentiality and information security, including any breach of the security of the System, such as any unauthorized acquisition of System data that compromises the security, confidentiality or integrity of personal information. Further, Contractor shall take all

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reasonable actions necessary or advisable to protect all System data in its possession, custody or control from loss or damage by any cause, including fire, theft or other catastrophe. In addition, if requested by County's Project Director, Contractor shall provide notification to all persons whose unencrypted personal information was, or is reasonably believed to have been, acquired by any unauthorized person, and the content, method and timing of such notification shall be subject to the prior approval of County's Project Director. Contractor shall not use System data for any purpose or reason other than to fulfill its obligations under this Agreement. Without limiting the foregoing:

    a. **Sensitive Data:** Contractor shall never keep cardholder or customer data in the IVR component of the CIS. Contractor is prohibited from using any information collected during payment transactions.

    b. **Audit Trails:** Contractor shall maintain system logs, network logs, application and database logs, and virus scanning logs. Contractor shall follow log management best practices, including incorporation of log management into daily routines, defining baselines and anomalies, segregation of duties for review of updates, log retention management, backup and restore testing, and testing of log review processes.

    c. **Access Control:** Contractor shall use Two-Factor Authentication for administration and maintenance access to all servers. All access to IVR component of the CIS shall be secured through the SSH protocol. No other type of access to the servers shall be allowed. Virtual Private Network (VPN) shall be implemented for secure remote access into the internal production networks and systems. Only trusted Internet Protocol (IP) addresses shall be allowed access via SSH through configuration on Contractor's firewalls.

    d. **Data Encryption Standards:** Contractor electronically transmits Count data constituting Personal Information (hereinafter "PI") and therefore shall comply with the following encryption standards (collectively, the "Encryption Standards"), as required by the Board of Supervisors Policy Number 5.200 (hereinafter "Policy"). For purposes of this Paragraph 3.6, "PI" is defined in California Civil Code Section 1798.29(g). All transmitted (e.g. network) County PI, PHI and/or MI require encryption in accordance with: (a) NIST Special Publication 800-52 Guidelines for the Selection and Use of Transport Layer Security Implementations; and (b) NIST Special Publication 800-57 Recommendation for Key Management – Part 3: Application-Specific Key Management Guidance. Secure Sockets Layer (SSL) is minimally required with minimum cipher strength of 128-bit.

3. **Breach Reporting:** Contractor shall have a clear way to address how data and system security are protected from disruption and loss in the event of disaster, emergency, and security breaches. The IVR component of the CIS shall be monitored to ensure the effectiveness of security controls. Contractor shall promptly notify the County Project Manager and County's Department of Public Works Security Officer of a system breach of the IVR component of the CIS.

4. **Compliance:** Failure on the part of Contractor to comply with any of the provisions of this Paragraph 3.6 shall constitute a material breach of this Agreement, upon

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which County may terminate or suspend the Agreement, deny Contractor access to County IT resources and/or take such other actions as deemed necessary or appropriate by County.

4. IVR COMPONENT SUPPORT SERVICES

As a part of Subscription Services for the IVR component of the CIS, Contractor shall assume responsibility for the Work described below in this Section 4.

4.1 SCOPE OF SUPPORT

Contractor's responsibilities for supporting the operation of the IVR component of the CIS shall include responding to reported problems and correcting Deficiencies as specified in this SLA. Contractor shall provide operational support for the IVR component of the CIS during the Support Hours, which shall include without limitation providing a point of contact for all IVR component problems by maintaining a system for customer support ("Customer Support"). Such operational support shall include Work to correct any failure of the IVR component and to remedy Deficiencies in accordance with Section 3.4 (Software Maintenance and Updates) to ensure that the IVR component operates in accordance with the Specifications and otherwise with the Agreement, including warranties and other requirements set forth in the Agreement. Requests for Customer Support will be submitted by County's Authorized Contact via telephone, email, and/or Contractor's web-based trouble ticketing system. In the event that the Contractor's web-based trouble ticketing system is not available to County, County may use any other reasonable means to request Customer Support. Customer Support shall respond with a plan for resolving each Deficiency and respond to County's Project Manager within the applicable required period referenced in Section 3.4 (Software Maintenance and Updates) depending on the severity level of the Deficiency.

4.2 CUSTOMER SUPPORT

Contractor's Customer Support Service Level Requirements shall also include but not be limited to those listed below:

1.   County designated technical support staff that provides IVR Support shall have access to Contractor's Customer Support through the methods outlined in this SLA.

2.   County shall have access to Contractor's Customer Support through the web-based trouble ticketing system, email, or telephone. The trouble ticketing system shall provide for County a simple method to submit, track and update issues that require escalation to Contractor's Customer Support. The authorized County contacts will each receive an account and training on the ticketing system.

3.   Contractor shall provide a telephone number for County staff to call at any time during Support Hours. This telephone number shall be managed by a live operator to quickly connect County staff with the appropriate Customer Support personnel.

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4. Severity levels for the Deficiencies shall be assigned according to definitions referenced in Section 3.4 (Software Maintenance and Updates).

5. Contractor shall respond within the period referenced in Section 3.4 (Software Maintenance and Updates) depending on the severity level of the Deficiency.

6. Contractor's Customer Support shall made be available to County at any time during Support Hours via phone and email.

7. Contractor's Customer Support shall work with County's Project Manager and County's technical support staff on correcting Deficiencies and keep such County personnel informed via email and phone regarding the updates and scheduled timeframes to ensure that all maintenance windows are clearly communicated and the requirements of this SLA are met.

8. Contractor shall triage and update submitted Deficiencies and requests to have the priority, description, type, version and other elements of each case modified by Customer Support based on the severity and business impact. The cases may be downgraded or upgraded in priority, and Contractor shall work with County to ensure that the case is diagnosed properly.

9. Deficiency correction and timeframes shall be as specified in Section 3.4 (Software Maintenance and Updates).

10. Enhancement suggestions to the IVR component shall be submitted using Contractor's Customer Support ticketing system. Contractor shall conduct a preliminary evaluation within thirty (30) days and update the ticket with that preliminary evaluation. Contractor shall use this information in product enhancement planning.

4.3 RESPONSE TIME MONITORING

Contractor shall be responsible for monitoring Response Time of the IVR component of the CIS to ensure compliance with the agreed upon Response Time Baseline(s) and any other applicable requirements specified in this SLA and otherwise in the Agreement.

Contractor shall perform Response Time monitoring at regular intervals and in sufficient detail to detect problems. Contractor shall provide County with direct access at any time to the data collected as a result Response Time monitoring. Whenever requested by County, Contractor shall provide County with reports and/or downloads that contain data along with all applicable documentation that may be necessary for County to independently monitor the Response Time of the IVR component.

County reserves the right to periodically revisit the Response Time Baselines for resetting to ensure that the Response Time of the IVR component does not restrict or delay County's operations.

4.4 IVR COMPONENT PERFORMANCE REQUIREMENTS

The IVR component shall meet the performance requirements specified below that are within IVR component control, including but not limited to those relating to Response Time and System Availability, as further specified in this SLA or otherwise in the

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Agreement. All performance Deficiencies shall be deemed Severity Two (as defined pursuant to Section 3.4 (Software Maintenance and Updates)) Deficiencies or higher for the purpose of the correction of Deficiencies and other County remedies.

SYSTEM PERFORMANCE CATEGORY	SYSTEM PERFORMANCE REQUIREMENT
System Availability	99.998%
Response Time	Response Time Baseline(s) established and agreed upon prior to Go-Live.
Active/Active Disaster Recovery	Pursuant to the provisions and requirements of Section 3.5 (Backup and Disaster Recovery).

The following criteria shall be applied with regards to System Performance Requirements:

1.   "System Availability" shall be calculated as follows:

System Availability = (Total Monthly Time – Unscheduled Downtime) ÷ Total Monthly Time

2.   Response Time(s) shall be established using County required and Contractor supplied Response Time measurement method, which is a component of the IVR component. The Response Time Baseline(s) shall be agreed upon and established before the IVR component is able to reach Go-Live under the Statement of Work. Response Time Baseline(s) may need to be established to address various IVR component categories and periods of operations, to the extent applicable, including but not limited County business hours, County off-business hours, peak hours and reporting.

3.   Response Time measurement shall be calculated by averaging Response Time(s) for each of the established Response Time Baseline measurement categories, as provided below.

- If the average Response Time is greater than the Response Time Baseline for any six (6) periods within a calendar month, County shall notify Contractor using the Customer Support trouble ticketing system.

- Contractor shall keep County informed of the progress of the Response Time problem with the objective of providing a solution as quickly as possible.

- Initial Response Time Baseline(s) shall be established and agreed upon by the parties prior to Go-Live. County reserves the right to modify the Response Time Baseline and/or measuring methods if County determines

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that the IVR component of the CIS is restricting or delaying County's operations.

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Service Level Requirements for IVR Component

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Contract Option	Year	Dates from	Dates to	CIS maintenance[4] Payment	IVR maintenance[4]/upgrade Payment	IVR maintenance[4]/upgrade Payment Schedule	Task	Estimated Payment Date
Option 1	8	1/17/2018	1/16/2019	$ -	$ 25,250	Subtask 14.1: on County's approval of Deliverable-Kick-off Meeting	IVR upgrade fee[2]	1/2/2019
	9	1/17/2019	1/16/2020	$ 135,700	$ -		CIS Maintenance	1/17/2019
				$ -	$ 25,250	Subtask 14.6: on County's approval of Deliverable-Production Go-Live	IVR upgrade fee[2]	1/17/2019
				$ -	$ 42,000	Subtask 14.6: on County's approval of Deliverable-Production Go-Live	IVR maintenance[3, 5]	1/17/2019
	10	1/17/2020	1/16/2021	$ 135,700	$ 42,000		CIS and IVR maintenance[3]	1/17/2020
	Total Option 1 [1]			**$ 271,400**	**$ 134,500**			
Option 2	11	1/17/2021	1/16/2022	$ 135,700	$ 42,000		CIS and IVR maintenance[3]	1/17/2021
	12	1/17/2022	1/16/2023	$ 135,700	$ 42,000		CIS and IVR maintenance[3]	1/17/2022
	13	1/17/2023	1/16/2024	$ 135,700	$ 42,000		CIS and IVR maintenance[3]	1/17/2023
	14	1/17/2024	1/16/2025	$ 135,700	$ 42,000		CIS and IVR maintenance[3]	1/17/2024
	15	1/17/2025	1/16/2026	$ 135,700	$ 42,000		CIS and IVR maintenance[3]	1/17/2025
	Total Option 2			**$ 678,500**	**$ 210,000**			

[1] Includes only payments to be made after effective date of Amendment Number One.

[2] These payments include the one-time migration fee of $37,000 and the one-time FIS integration fee of $13,500.

[3] Includes 250,000 outbound notifications annually; additional usage invoiced at $0.08 per message.

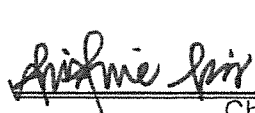[4] Adjustments to maintenance fees made in accordance with paragraph 8.4 of the body of the Agreement.

[5] Payment amount listed assumes County's approval of Deliverable-Production Go-Live occur on 1/17/2019. Actual payment amount will be pro-rated for period of time between the date on which County actually approves Deliverable-Production Go-Live and 1/16/2020.

Pool Dollars: Director of Public Works or his designee is authorized to increase the Maximum Contract Sum up to an additional 10 percent of the Maximum Contract Sum, if required. Any portion of such authority that has not been exercised as of effective date of Amendment Number One remains available under Agreement.
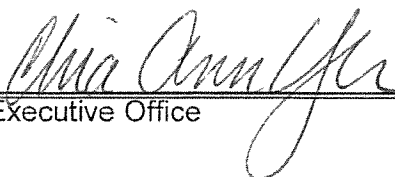
Amended Maximum Contract Sum: $ 4,485,033

County of Los Angeles
Department of Public Works
N. Harris Computer Corporation

A Comprehensive Customer Information System
Amendment Number One
Schedule 1
Supplemental Schedule of Payments

SOLE SOURCE CHECKLIST

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A Mmonopoly is an "*Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.*"
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
	➤ Services are needed to address an emergent or related time-sensitive need.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
✓	➤ 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.
	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
✓	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

_____ _____ 10/31/2017
                    Chief   Executive Office   Date

Office of the CIO
CIO Analysis

BOARD AGENDA DATE:	
12/11/2018	

WILLIAM S. KEHOE
CHIEF INFORMATION OFFICER

SUBJECT:

WATER RESOURCES CORE SERVICE AREA SERVICES CONTRACT SOLE-SOURCE AMENDMENT TO UPGRADE INTERACTIVE VOICE RESPONSE COMPONENT OF COMPREHENSIVE CUSTOMER INFORMATION SYSTEM

CONTRACT TYPE:

☐ New Contract   ☒ Sole Source   ☒ Amendment to Contract #: 001908

SUMMARY:

This Board Letter requests to amend, on a Sole Source basis, Agreement Number 001908 with the N. Harris Computer Corporation (N. Harris) to upgrade the Interactive Voice Response (IVR) component of the County Waterworks District's Customer Information System (CIS). The Amendment will ensure support of an upgraded Contractor-hosted IVR coterminously with the remaining contract periods in the Agreement (with the exercise of a remaining optional extension, potentially through January 16, 2026), and to update certain Agreement provisions, such as updated service-level requirements and inclusion of County-required provisions implemented since the original Agreement was executed in 2009.

The IVR provides County Waterworks customers the ability, by telephone, to access their account information, to pay their water bills through electronic checks, to receive notifications, and to contact customer service. This upgrade is required due to the obsolescence of the current IVR equipment. After the end-of-life notice for the existing IVR, the County's electronic payment processor made a necessary security-related software change that caused the IVR electronic check payment feature to become unavailable. This upgrade will restore that feature, which has not been functional since late 2016, and provide enhanced features for customer notifications. The Department of Public Works (DPW) and County Counsel have determined that the County is responsible for the costs of the upgrade.

This is a Sole-Source Amendment since, based on DPW's market research on IVR systems, the recommended Amendment is timelier and less costly than procuring a new IVR product and integrating it into the CIS. Paymentus, an N. Harris' subcontractor, provided the existing (and now unsupported) IVR and therefore has extensive knowledge of the Waterworks' current IVR. The proposed upgrade to Paymentus' cloud-hosted IVR is known to work with the N. Harris software. As required by Board Policy 5.100, the required Advanced Notification of Intent to Negotiate a Sole-Source Amendment with N. Harris was briefed to the Operations Cluster and then sent to the Board in December 2017.

Contract Amounts: **Increase the Maximum Agreement Sum by $177,900 from $4,307,133 to $4,485,033**

FINANCIAL ANALYSIS:

One-time Costs for Upgrade to Cloud-based IVR

Migration, integration & configuration.............. $	50,500	
Sub-total One-time Costs: .... $	**50,500**	

Maintenance & Support Costs

Remaining Current Agreement Term[1] .... $	36,400
Optional 5-year Final Renewal Term[2] .... $	91,000
Sub-total Maintenance & Support Costs: .... $	**127,400**
TOTAL INCREASE TO MAXIMUM CONTRACT SUM: . $	**177,900**

Notes:

[1] The remaining current Agreement term is through January 16, 2021.

[2] If exercised, the final five-year renewal optional term would be from January 17, 2021 through January 16, 2026.

DPW indicates that the one-time costs and the first year of the remaining current Agreement term will be funded by the Fiscal Year 2018-19 Waterworks Districts' General Funds budget. Future years will be appropriately budgeted to account for the increases.

RISKS:

1. **Project Management** – The project's Executive Sponsor is DPW Assistant Deputy Director, Adam Ariki, and the County Project Manager will be a qualified project manager from the DPW Waterworks Division (WWD). Both individuals were involved in the original implementation of the CIS, beginning in 2009. Additionally, DPW Information Technology Division (ITD) staff assisted WWD and the Contractor to install the CIS software and current IVR at the DPW data center and continue to support the existing infrastructure. ITD indicates that it will be similarly involved through this IVR upgrade. Given the successful implementation of the CIS, and DPW's long history of implementing IT projects in this fashion, the OCIO has no concerns about the project organization approach.

2. **Certain Limitations and Exclusions of Liability** – As DPW indicates in the Board Letter, after considerable negotiation with N. Harris and consultation with County Counsel and CEO Risk Management, a business decision was made to limit the Contractor's liability in some areas and exclude them in others (see Page 3 of the Board Letter under "Facts and Provision/Legal Requirements"). A requirement for insurance against Technology Errors and Omissions with a limit of $5 Million was added.

3. **Information Security Related Provisions** – DPW's Information Security Officer has reviewed the Amendment and agrees with the business risk assessment and negotiated risk-related provisions, including the limitations of liability. According to the Department, no Personally Identifiable Information is stored or transmitted to the cloud-based IVR system. A secondary customer identifier is needed to access account information, and only a limited set of information, such as account balances, due dates, updating phone numbers, and making electronic check payments for the specific account, is available via the telephone interface. The Amendment has added a paragraph to require Privacy/Network Security (Cyber) Insurance with a limit of $5 Million.

   A Deputy Chief Information Security Officer has reviewed the Amendment with the DPW Information Security Officer and recommended that breach notification language be added to the Amendment, which the Department was able to negotiate. With that resolved, the OCISO has identified no concerns with the Amendment.

WATER RESOURCES CORE SERVICE AREA SERVICES CONTRACT SOLE-SOURCE AMENDMENT TO UPGRADE INTERACTIVE VOICE RESPONSE COMPONENT OF COMPREHENSIVE CUSTOMER INFORMATION SYSTEM

PREPARED BY:

_____   11/20/2018
ERIC M. SASAKI, DEPUTY CHIEF INFORMATION OFFICER   DATE

APPROVED:

_____   11/20/2018
WILLIAM S. KEHOE, COUNTY CHIEF INFORMATION OFFICER   DATE