COUNTY OF LOS ANGELES
Child Support Services Department

Philip L. Browning
Director

May 1, 2006

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:

APPROVE AMENDMENT NUMBER ONE TO AGREEMENT NUMBER 74575 WITH ELECTRONIC DOCUMENT PROCESSING (EDP LEGAL SERVICES) FOR SERVICE OF LEGAL PROCESS
(ALL DISTRICTS)
(3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Mayor to sign the enclosed Amendment Number One to Agreement Number 74575 with EDP Legal Services to revise the pricing schedule to compensate the Contractor for the increase in operating costs, as a result of skip tracing, programming changes, and the continued increase in fuel costs.

2. Find that service of process for Los Angeles County Child Support Services Department (CSSD) continues to be performed more economically by an independent contractor than by County employees.

3. Delegate authority to the Director of CSSD to increase the maximum contract sum per year by 10% if needed without further Board approval. The approval of County Counsel and the Chief Administrative Office (CAO) will be obtained prior to increasing the amount by 10%, and the Director will notify the CAO in writing within ten business days after execution.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION

Approval is requested for the purpose of continuing services under the current agreement with EDP Legal Services. The Contractor has requested additional compensation to offset the increased operating costs for skip tracing (locate services

and information verification through Lexis Nexis for which the Contractor pays per individual case search), programming changes (changing and updating computer programming necessary for interface with CSSD ARS computer system, as requested by CSSD staff), and the increased cost for fuel.

Service of process requires the Contractor and his national and local affiliates drive to different locations throughout the day and evening hours to serve legal process. In many cases, the Contractor may be required to return to the same location on no fewer than three separate occasions and at different times of day. A large number of these locations must undergo a skip tracing process in order to validate the address. The Contractor receives no compensation for skip tracing efforts and reimburses each Process Server for auto and mileage costs.

The Contractor has incurred unforeseen costs due to skip tracing, programming changes and the continuous rising cost of fuel from the Contract start date through the first two years of the contract term which could not be anticipated at the time the contract was implemented. As circumstances changed and fuel prices rose, so did the expense to the Contractor. The cost for gasoline has increased by 61% in a two-year period. The additional expense to the Contractor was outside of the control of EDP Legal Services and CSSD. The Contractor has continued to provide services at the current contract rate while incurring a monetary loss.

A survey of the cost for service of process in both San Diego and Orange County Child Support Services Departments revealed that both EDP's current and proposed rates for service of process were below the rates charged by other process servers in California Counties.

FISCAL IMPACT/FINANCING

The proposed amendment revises the Pricing Schedule to compensate the Contractor for the increase in operating costs, as a result of skip tracing, programming changes, and the unforeseen, drastic increase in fuel costs. The cost associated with this service will be subvened at a rate of 100% by the state and federal governments. CSSD has sufficient funding in its budget to finance the impact of the recommended action.

According to the Code of Federal Regulations (CFR) specifically 45 CFR Section 304.21 (b)(1), "federal financial participation is not available in service of process and court filings unless the court or law enforcement agency would normally be required to pay the cost of such fees." Federal funding is available for service of legal process if the County contracts with an independent contractor.

FACTS AND PROVISIONS

The Board approved the Agreement with EDP Legal Services on August 12, 2003. The contract term is for two years with the option to renew for two additional 12-month terms. This amendment seeks to amend the Pricing Schedule, thereby increasing the price per service of process, for the current and remaining option renewal periods. Under the Agreement, CSSD pays only for completion of a successful service of process. The unit charge currently ranges from $20.00 to $65.00, depending on the location where the court document is served. Under the amendment, the unit charge will range from $25.00 to $75.00.

CSSD also seeks delegated authority for the Director to increase the maximum contract sum per year by 10%, if necessary. In the previous two contract years, CSSD did not exceed the current maximum contract sum of $1,200,000 under the contract. However, based upon the anticipated number of services of process by EDP Legal Services and the proposed increased price per service of process, the total contract cost may exceed the current maximum contract sum per year. It is anticipated that this current first renewal period will not exceed the maximum contract sum per year of $1,200,000, despite the increased price per service of process. However, it is possible that the total contract cost per year will exceed the current maximum contract sum per year in the second and final renewal period, if exercised. As such, CSSD seeks delegated authority for the Director to execute an amendment which would increase the maximum contract sum per year by 10%, if necessary. The approval of County Counsel and the Chief Administrative Office (CAO) will be obtained prior to increasing the amount by 10%, and the Director will notify the CAO in writing within ten business days after execution. If increased, the maximum contract sum per year would not exceed $1,320,000.

Pursuant to Section 8.4 of the current Agreement between the County and EDP Legal Services states, "For any changes that affect the scope of work, term, Contract Sum, payments, or any term or condition included under this Contract, an Amendment shall be prepared and executed by the Board of Supervisors."

CONTRACTING PROCESS

Following a competitive solicitation, the County contracted with EDP Legal Services for the provision of service of process services for CSSD. The contract was executed on August 12, 2003 and effective August 29, 2003. The contract term is for two years with the option to renew for two additional one-year periods. The Contract is now in its first optional renewal period. CSSD exercised its delegated authority to renew the contract for an additional one-year period on August 29, 2005. To avoid an interruption in

service, the contract option was exercised before the final price negotiations were completed. The contract will terminate on August 29, 2006, unless renewed for the final one-year renewal period.

A Proposition A cost analysis has been developed and is on file in the Department. CSSD has determined that it continues to be feasible and cost-effective to contract Service of Process Services under Section 44.7 of the Los Angeles County Charter and Los Angeles County Codes Section 2.121.250.

The Department has evaluated and determined that the contractor fully complies with the requirements of the Living Wage Program (County Code Chapter 2.201) and agrees to continue to pay its full-time employees providing County services a living wage.

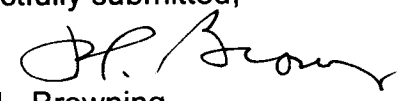
IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on other services provided or to other County Departments. There will be no impact on current County employees.

CONCLUSION

Instruct the Executive Officer-Clerk of the Board to send an executed copy of the approved Agreement to EDP Legal Services, and two copies to the Child Support Services Department, Contract Management Division, 5770 South Eastern Avenue, 4th floor, Commerce, California 90040, Attention: Elisha Gardner.

Respectfully submitted,



Philip L. Browning
Director

PLB:eg
Attachment

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

AMENDMENT NUMBER ONE TO SERVICES AGREEMENT NO. 74575

Amendment Number One to Agreement No. 74575, approved August 12, 2003 (hereinafter referred to as "Agreement"), made and entered into at Los Angeles, California, by and between

County of Los Angeles
Child Support Services Department
(hereinafter referred to as "COUNTY")

and

Electronic Document Processing (EDP Legal Services)
(hereinafter referred to as "CONTRACTOR").

This Amendment Number One to Agreement No. 74575 is made and entered into and becomes effective this _____day of _____2006.

WHEREAS, the parties entered into Agreement No. 74575 for service of process services, and the parties desire to amend the current Agreement; and

WHEREAS, the COUNTY and CONTRACTOR have agreed that revisions to the pricing schedule are necessary for the continuation of services provided under the Agreement; and

WHEREAS, the County has determined that it is legal, feasible, and cost-effective to contract for Service of Process Services; and

WHEREAS, this Amendment is therefore authorized under Section 44.7 of the Los Angeles Charter and Los Angeles Codes Section 2.121.250; and

WHEREAS, Section 8.4.2 of the current Agreement between COUNTY and CONTRACTOR states, "For any change which affects the scope of work, term, funding, Contract Sum, payments, or any term or condition included under this Contract, an Amendment shall be prepared and executed by the Board of Supervisors."

NOW, THEREFORE, Services Agreement No. 74575 is amended as follows:

1. "Exhibit B, Pricing Schedule [Proposal Price Form]" is deleted and replaced by the attached "Exhibit B, Pricing Schedule [Revised Proposal Price Form]."

2. Section 8.4 "Change Notices and Amendments" Subsection 8.4.2 is amended to read as follows:

   "For any change which affects the scope of work, term, Contract Sum, payments, or any term or condition included under this Contract, an Amendment shall be prepared and executed by the Board of Supervisors or the Department Director in the event the Department Director has the delegated authority to execute."

Except as expressly provided in this Amendment, all other terms and conditions of the Agreement are to remain in full force and effect.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by the Mayor of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, and the CONTRACTOR has caused this Amendment to be signed by its duly authorized officer(s), as of the date set forth above.

CONTRACTOR: Electronic Document Processing, Inc. dba EDP Legal Services

By _____
Name

PRESIDENT
Title

COUNTY OF LOS ANGELES

By _____
Mayor, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL
Raymond G. Fortner, Jr., County Counsel

By Michele Jackson
Associate County Counsel

EXHIBIT B

PROPOSAL PRICE FROM

A. STANDARD SERVICE	Personal Service	Substitute Service
1. Los Angeles County (Proposer must serve process for one flat fee within Los Angeles County.)	$ 25.00	$ 25.00
2. Seven counties – Kern, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, Ventura (Proposer must serve process for one flat fee in the counties listed above).	$ 30.00	$ 30.00
3. All other California counties not listed above (Proposer must serve process for one flat fee within California excluding the counties listed above).	$ 40.00	$ 40.00
4. Outside of California (Greater detail may be provided as needed including geographical fee schedules)	$ 75.00	$ 75.00

B. RUSH SERVICE (72 HOURS)
(Standard service charge plus surcharge for **RUSH** service)

1. Los Angeles County (Service must be at one flat rate)	$ No Charge
2. Other counties in California (Service must be at one flat fee for service anywhere in state outside Los Angeles County)	$ No Charge

PAYMENT IS GIVEN ONLY FOR SUCCESSFUL SERVICE WHETHER IT IS PERSONAL SERVICE OR SUBSTITUTE SERVICE. THERE IS *NO* PAYMENT FOR UNSUCCESSFUL SERVICE

Electronic Document Processing 16700 Valley View Street Suite 280 La Mirada Ca 714-517-9155
Firm name, Address, Phone Number

PRESIDENT
Signature and Title

John T Collins
Print Name

Signature and Title

Print Name