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Director

County of Los Angeles INTERNAL SERVICES DEPARTMENT

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"To enrich lives through effective and caring service"

April 9, 2015

To: Audit Committee

From: Dave Chittenden 
Chief Deputy Director

Subject: **REVIEW OF BOARD POLICY NO. 5.100 – SOLE SOURCE CONTRACTS**

On January 27, 2015, the Board of Supervisors (Board) directed the Interim Chief Executive Officer, and the Directors of Internal Services and Public Works to review Board Policy 5.100, Sole Source Contracts, and provide recommendations for revising the policy to narrow and limit its usage, including consideration of a requirement that the Board be notified of a potential sole source contract situation with sufficient time to pursue a standard competitive solicitation.

The Chief Executive Office, Department of Public Works and Internal Services Department (ISD) reviewed Board Policy 5.100, Sole Source Contracts, and are recommending the following changes, which are included in the attached red-line version of the policy:

- Purpose Section – Remove current language and add language identifying the Board's policy that departments solicit maximum number of bid/proposals from the largest relevant market and select contractors on a competitive basis. Proposed language also advises that certain acquisitions deemed to be in the best interest of the County may be obtained from a sole source subject to the Board's approval and with sufficient justification.
- Reference Section – Add two links to the following:
 - January 27, 2015 Board Order 17 (motion attached)
 - Sole Source Checklist (checklist attached)
- Policy Section – Remove the \$250,000 threshold, and "Justification for Sole Source Contracts" (moved to Reference section). Add detailed justification for the sole source request, and a requirement that Department Heads report to ISD sole source contracts approved by the Board and executed by/for their department for each fiscal year ending June 30.

Audit Committee

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- Date Issued/Sunset Date Section – Extend the sunset review date to February 6, 2018.

If you have any questions regarding this policy review or recommendations, please contact Joe Sandoval at (323) 267-2901, or via email at: jsandoval@isd.lacounty.gov.

DC:JS:YY:gk

Attachments

c: Acting Executive Officer, Board of Supervisors
Interim Chief Executive Officer
Director, Public Works



Los Angeles County
BOARD OF SUPERVISORS POLICY MANUAL

Policy #:	Title:	Effective Date:
5.100	Sole Source Contracts	03/02/99

PURPOSE

~~Provide the Board of Supervisors with early notification of prospective large sole source contracts. The Chief Executive Office has implemented and will continue to monitor this policy with the intent of recommending future policy changes, as appropriate.~~

It is the policy of the Board of Supervisors ("Board") that County departments solicit the maximum number of bids/proposals for a service from the largest relevant market and select contractors on a competitive basis.

Subject to Board approval, however, certain acquisitions that are determined to be in the best interest of the County based on regulatory, qualified, measurable or quantifiable criteria may be obtained from a sole source.

As outlined herein, sole source acquisitions must be justified in sufficient detail to explain the basis for suspending the competitive procurement process.

REFERENCE

February 23, 1999 [Administrative Memo](#) from Board Order, Synopsis 15

March 2, 1999 Chief Administrative Office memo, "[Sole Source Contracts](#)"

February 6, 2008 [Board Order 13](#)

[January 27, 2015 Board Order 17](#)

[Sole Source Checklist](#)

POLICY

County departments intending to negotiate a sole source services contract (“sole source contract”) for Board approval of \$250,000 or greater, must provide advance written notice to the Board of Supervisors, with a copy to the Chief Executive Officer (CEO), indicating that they will proceed with the sole source contract negotiations within four weeks unless otherwise instructed by a Board office.

The \$250,000 threshold includes the initial contract term and contract options.

In addition, any department requesting Board approval of a sole source contract must include with the Board letter a completed sole source checklist (as provided below) approved by the Chief Executive Officer with their respective Board letter. The checklist must include a detailed justification for the sole source request. Consideration for sole source approval may include:

- Only one bona fide source for the service exists; performance and price competition are not available.
- Compliance with applicable statutory and/or regulatory provisions.
- Compliance with State and/or federal programmatic requirements, including services provided by other public or County-related entities.
- The 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.
- Proposals have been solicited but no satisfactory proposals were received.
- Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
- Maintenance service agreements exist on equipment which must be serviced by the 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.)

- Other reason. Provide explanation.

Check

JUSTIFICATION FOR SOLE SOURCE CONTRACTS

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Identify applicable justification and provide documentation for each checked item.

- ➤ Only one bona fide source for the service exists; performance and price competition are not available.
- ➤ Quick action is required (emergency situation).
- ➤ Proposals have been solicited but no satisfactory proposals were received.
- ➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
- ➤ Maintenance service agreements exist on equipment which must be service by the authorized manufacturer's service representatives.
- ➤ It is more cost effective to obtain services by exercising an option under an existing contract.
- ➤ It is in the best interest of the County, e.g., administrative cost savings, excessive learning curve for a new service provider, etc.
- ➤ Other reason. Please explain:

Chief Executive Office

Date

Each County Department Head is also required to report to the Internal Services Department (ISD) by ~~July 15~~ ~~June 30th~~ of each year those sole source contracts approved by the Board that were under \$250,000 executed by/for their department for the fiscal year ending on June 30th. ~~The Internal Services Department~~ ISD will compile the list and submit it to the Board of ~~Supervisors~~.

For the purposes of this Policy, a federal, State or other government cooperative contract for which a department is seeking Board approval to access is not considered a sole source procurement if the contracting agency established the contract through a competitive solicitation process.

RESPONSIBLE DEPARTMENT

Internal Services Department

Chief Executive Office

DATE ISSUED/SUNSET DATE

Issue Date: February 23, 1999

Reissue Date: January 16, 2003

Revised Date: February 6, 2008

Revised Date: January 19, 2012

Revised Date: April 16, 2015

Sunset Review Date: January 16, 2003

Sunset Review Date: January 16, 2007

Sunset Review Date: February 6, 2012

Sunset Review Date: February 6, 2016

Sunset Review Date: February 6, 2018



**STATEMENT OF PROCEEDINGS FOR THE
REGULAR MEETING OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF LOS ANGELES HELD IN ROOM 381B
OF THE KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, LOS ANGELES, CALIFORNIA 90012**

Tuesday, January 27, 2015

9:30 AM

17. Recommendation: Approve and authorize the Sheriff to finalize and execute a Sole Source agreement with DataWorks Plus, LLC, to provide maintenance and support services for the DataWorks Digital Mugshot System for an initial term from February 8, 2015 through February 7, 2019 with three one-year extension options for a maximum term not to exceed seven years and a Maximum Contract Amount not to exceed \$3,522,616; authorize the Sheriff to execute Change Orders and amendments, to effectuate an assignment of the agreement to any new contracting entity, modify agreement to include new or revised standard County contract provisions adopted by the Board, exercise extension options, increase or decrease services under the agreement resulting from the addition, deletion, or replacement of system components, provided that any increase in maintenance and support services does not increase the Maximum Contract Amount by more than 10%, and engage the Contractor to provide system-related professional services as required by the County, with up to \$460,000 in contingency funds for the term of the agreement. **(Sheriff's Department)** (Continued from the meeting of 1-20-15) *(NOTE: The Chief Information Officer recommended approval of this item.)* (15-0262)

Supervisors Solis and Ridley-Thomas made a joint motion to amend the aforementioned recommendation as follows:

- 1. Approve an agreement with DataWorks Plus, LLC for a period of four years, without option years;**
- 2. Request the Sheriff, or his designee, to:**
 - a. Issue a Request for Proposals (RFP) for these services as soon as possible, and**
 - b. Appear annually at a regular Board meeting during the month of January to provide an update on the progress of the RFP process.**

3. **Direct the Interim Chief Executive Officer, and the Directors of Internal Services and Public Works to review the County's sole source agreement policy and report back to the Board in writing within 60 days with recommendations for revising the policy to narrow and limit its usage, including consideration of a requirement that the Board be notified of a potential sole source contract situation while sufficient time remains to pursue a standard competitive solicitation;**
4. **Direct the Interim Chief Executive Officer, the Director of Internal Services, the Chief Information Officer, and the Auditor-Controller to report back to the Board within 30 days on the feasibility of using the existing eCAPS system to implement a Countywide contract tracking tool to inform the Board, Interim Chief Executive Officer, impacted County Departments and the public of the status of contract solicitations at least 12 to 24 months prior to contract expiration dates; and**
5. **Direct the Chief Information Officer and the Director of Internal Services to develop and maintain a database of existing local and national information technology vendors that includes the technical specifications of available services and products and that is accessible to all County Departments for use in developing Invitations for Bids and for other uses that enhance the County's procurement process.**

On motion of Supervisor Solis, seconded by Supervisor Ridley-Thomas, this item was approved as amended.

Ayes: 5 - Supervisor Solis, Supervisor Ridley-Thomas, Supervisor Kuehl, Supervisor Knabe and Supervisor Antonovich

Attachments: [Board Letter](#)
[Motion by Supervisors Solis and Ridley-Thomas](#)
[Report](#)
[Video](#)
[Audio](#)

The foregoing is a fair statement of the proceedings of the regular meeting held January 27, 2015, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

Patrick Ogawa, Acting Executive
Officer
Executive Officer-Clerk
of the Board of Supervisors

By 

SOLE SOURCE CHECKLIST

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS
	<i>Identify applicable justification and provide documentation for each checked item.</i>
	➤ Only one bona fide source for the service exists; performance and price competition are not available.
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements, including services provided by other public or County-related entities.
	➤ The 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.
	➤ Proposals have been solicited but no satisfactory proposals were received.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Maintenance service agreements exist on equipment which must be serviced by the 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.)
	➤ Other reason. Provide explanation.
<hr style="border: none; border-top: 1px solid black; margin: 10px 0;"/> <div style="display: flex; justify-content: space-between; width: 100%;"> Chief Executive Office Date </div>	