



County of Los Angeles CHIEF EXECUTIVE OFFICE

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November 21, 2012

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

IMPROVEMENTS TO COUNTY CONTRACTING PROCESS

The Chief Executive Office has embarked on a countywide contracting process improvement project. The overall goal is to create a contracting process which incorporates best practices, while at the same time ensuring compliance with laws and County policies. This memo briefly summarizes efforts currently underway and planned for FY 2012-13 and 2013-14.

We are working concurrently on several different aspects of contracting improvement to:

- Review the current contracting process to identify where it can be feasibly streamlined;
- Identify "lessons learned" from past audits, solicitations, and contracts;
- Promote departmental use of model solicitation documents (i.e., Request for Proposal (RFP), Request for Statement of Qualifications, sample contracts, correspondence, etc.) and guidance available on the Internal Services Department (ISD) website;
- Develop or obtain well-written solicitation documents, contracts, and language for specific terms and conditions, which can be used as templates for future solicitations and contracts;
- Identify key types of contracts and work with departments to develop contract templates; and
- Identify and develop a contract system which can be integrated into the eCAPS financial system; include key functionality such as drafting solicitations, contracts, scoring proposals, archiving contracts and supporting documentation, workflow, etc.

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Getting Departmental Input – The CEO has established an interdepartmental committee to get department input on the contracting improvement project. The contracting project and creation of this committee were announced at the CEO Department Head meetings in July and November, 2012. So far 12 departments have expressed an interest in participating (Attachment 1). The first meeting was held on October 25, 2012. During the coming months, departments will be asked to participate in sub-committees focused on developing specific contract templates. For the pilot project, this includes departments who have Prop A, social services, and food concession contracts.

Keeping the Board Informed – At the July 19, 2012, Operations Cluster meeting, we gave Board Deputies a high level briefing about the concept for the contracting improvement project and plan to provide quarterly updates. The contracting project was also presented to Board Deputies at the October 25, 2012, Cross-Cluster meeting.

What Steps Have Already Been Completed?

- **Contract Monitoring Dashboard** - The Auditor-Controller (A-C) has implemented a contract monitoring dashboard using data from the eCAPS system. The dashboard provides a quick and easy way for departmental management to monitor contracts by expiration dates, how much money has been spent compared to total projected contract costs, and other pertinent information. The dashboard is a tool that alerts managers of potential areas of concern.
- **Contracting Resources Available to Departments** – ISD has created and maintains an updated website with templates, guidelines, and other types of contracting information which is available for all departments to use at <http://purchasingcontracts.co.la.ca.us/>. Basic contracting classes are also offered periodically to County staff tasked with contracting-related assignments.
- **Contract Process Review** – The County Strategic Plan contracting group formed a task force to map out and review the current RFP/contracting process to identify any unnecessary steps that could streamline the current process (Attachment 2). As a result, the task force identified the protest policy as a focus area that would reduce the time associated with conducting solicitations. A draft of the streamlined protest policy and process is anticipated to be presented at Operations Cluster in December 2012 for Board Deputy review.

- Automating the Contracting Process – Community and Senior Services and the Arts Commission had previously automated portions of their contracting processes. We are reviewing those systems to see what “lessons learned” can be applied to development of a countywide contracting system.
- Software Solution - The A-C has hosted demonstrations of two different “off the shelf” contracting systems which are designed to work with the eCAPS system. Each system has different strengths. A-C and ISD have been meeting with the two vendors to see how their product functionality can be combined to create one system which manages all steps of the contracting process from beginning to end. The vendors have a proposed solution and are developing a project schedule and cost estimates with A-C and the eCAPS Steering Committee. We anticipate that the new system could be piloted in approximately November 2013. The pilot will include Prop A contracts (all departments), social services contracts (Community and Senior Services) and food concession contracts (various departments).
- System Funding - On October 2, 2012, the Board of Supervisors approved \$2.0 million in the Supplemental Budget for the countywide computer system.

Next Steps:

- In December 2012, the County Strategic Plan contracting task force will present proposed revisions to the protest policy and process. The revisions are intended to simplify the current process for both the County and vendors while reducing the solicitation process. Those recommendations will then be provided to the Board for review and a policy decision.
- In December 2012, A-C and the eCAPS Steering Committee will work with the two contracting system vendors to obtain a cost estimate and project schedule for implementation of the new system.
- By February 2013, A-C will review the past several years of RFP and contract-related audit findings to identify “lessons learned” and best practices which can be applied to all departments. These lessons learned and best practices will be reflected in the design of the new computer system, templates, and standardized contract language.
- From December 2012 through June 2013, County Counsel will work with the three interdepartmental subcommittees to develop templates and a library of pre-approved, standardized terms and conditions for Prop A, social services, and

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food concession contracts. The results of this effort will be loaded into the new computer system for the pilot project.

- From December 2012 through December 2014, the interdepartmental contract committee will:
 - Identify the basic types of contracts commonly used by departments and the priority order for moving these types of contracts into the new computer system.
 - Establish subcommittees to work with County Counsel to develop templates and the library of pre-approved, standardized terms and conditions language for each type of contract (after the work is completed for the three types of contracts in the pilot).

The next quarterly status update on this project will be provided in March 2013. If you have any questions or need additional information, please contact Ellen Sandt of my staff at (213) 974-1186.

WTF:EFS:cg

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Community and Senior Services
Internal Services

ATTACHMENT I

Interdepartmental Contracting Committee

Chief Executive Office (Chair)

Alternate Public Defender

Arts Commission

Auditor-Controller

Chief Information Office

Children and Family Services

Community and Senior Services

County Counsel

Internal Services Department

Mental Health

Public Health

Sheriff



CONTRACTING PROCESS WORKFLOW

