



**PUBLIC REQUEST TO ADDRESS
THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, CALIFORNIA**

Correspondence Received

MEMBERS OF THE BOARD

HILDA L. SOLIS
HOLLY J. MITCHELL
LINDSEY P. HORVATH
JANICE HAHN
KATHRYN BARGER

			The following individuals submitted comments on agenda item:	
Agenda #	Relate To	Position	Name	Comments
31.		Oppose	EX ISD	<p>Michael Owh rigged the eprocurement solicitation for his NYC scandal company, lvalua. Since 2019, he has been personally involved in the eprocurement solicitation from infancy and until now; this includes the developing the statement of work, changing processes, changing evaluators if their scores don't that lvalua is the winner.</p> <p>The Board of Supervisors needs to ask themselves why is Michael Owh so involved with this solicitation while he ignores other solicitations and why is it a coincidence that the company that he had a scandal with in NYC, ends up "winning" this solicitation.</p> <p>Does the County have another Registrar Recorder Dean Logan type scandal on their hands? I think so. No one does anything for free.</p>



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31.		Oppose	Joe Smith	<p>NYC's Chief Procurement Officer Left Town as Ivalua eProcurement Project Melted Down</p> <p>Michael OwH Moved to Los Angeles as Bungled, Multi-Million Dollar Contract Missed Deadline After Deadline Eighteen months after a \$30.5 million contract was awarded to French technology company Ivalua to custom-build an online procurement system to be used by up to 40 New York City departments, Michael OwH left town.</p> <p>Ivalua had no prior experience servicing governments in the U.S. and the deadline for the eProcurement platform to be operational was coming up quickly. The system was supposed to allow City Hall agencies to buy goods and services less expensively. But nearly every milestone had been missed.</p> <p>Since receiving a tip last year, Checks and Balances Project has been looking into questions about the lucrative contract. We've already established that City Hall committed taxpayers to spend 340 times more per agency for custom-built software that still doesn't work compared to off-the-shelf software that the City of Dallas had purchased – that works just fine. Costs for NYC are now approaching \$50 million.</p> <p>Time Is of the Essence Records obtained by C&BP show that OwH, who was also the then-director of the City of New York Mayor's Office of Contract Services (MOCS), was aware of the problems. On the July 25, 2016, contract cover letter to Ivalua CEO Daniel Amzallag to proceed, OwH was the first person "cc'ed." The importance of meeting deadlines was clearly stated on page 7 of the contract:</p> <p>Michael OwH In March 2017, OwH was confident enough that he gave the keynote speech at the second day of Ivalua NOW 2017, the company's Second Annual Customer Conference.</p> <p>But less than a year later, things had changed. OwH had gone to law school at St. John's University in Queens and lived in the greater New York City area for the last 13 years. But in February 2018, the month before the eProcurement platform was scheduled to be operational, he got a job in Los Angeles as that city's chief procurement officer.</p> <p>Who Enabled the Boondoggle? It was good timing on his behalf. Because two years after the contract was signed, not even the design of NYC's new eProcurement system had been completed. (See: Scope and Solution Overview.)</p> <p>According to a source close to the contract, Michael OwH appears to have been a central actor in steering the contract to Ivalua. Our interest is uncovering who enabled this taxpayer boondoggle.</p>
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31.		Oppose	Michael Owh Scandal	<p>Other officials at DoITT and the mayor's office who were involved have avoided owning the problem. Instead, they have delayed and denied reasonable Freedom of Information Law (FOIL) requests for documents and emails regarding this troublesome contract.</p> <p>Based on limited records we at Checks and Balances Project uncovered, we discovered that Ivalua's design had not been completed and requirements were not validated two years after the contract was signed. These public records show that nearly every milestone had been missed.</p> <p>DoITT, in charge of the project until the mayor's office took over in January, replaced KPMG with Accenture. And in June 2018, former Commissioner Samir Saini signed paperwork giving Ivalua another \$15 million. Since then, according to Checkbook NYC, the city comptroller's digital database, an additional increase brings the expected price for the software system to \$46.89 million.</p>
			Michael Owh Scandal	<p>Taxpayers Fleeced for Nearly \$47 Million in Tech Boondoggle But Few City Leaders Notice</p> <p>What if I told you that in an effort to enable 40 New York City government agencies to buy goods and services more cost-effectively, some city officials have put on a tutorial on how not to buy goods and services – and stuck taxpayers with a bill heading toward \$47 million?</p> <p>As a New Yorker, you'd probably tell me to "Get the hell outta here!" -- then I'd have to give you details.</p> <p>So here's how the flimflam went down. Three years ago, city government hired an inexperienced French technology company, Ivalua, to custom-build procurement software for tens of millions of dollars (\$30.5 million, to be more precise) to help the city agencies buy goods and services less expensively.</p> <p>The company's partner in landing the contract was KPMG, a global professional services firm with deep ties to the mayor's office and city agencies through well-connected lobbyists.</p> <p>Two years after the contract was signed, the design hadn't been completed. Fast forward to today, and few if any of the 40 agencies benefit from the promised customizable, end-to-end e-procurement system. And while officials had the legal ability to cancel the contract and claw back \$25 million of the \$30 million they'd spent, they chose instead to give the vendor another \$15 million to get the software working.</p> <p>Another increase will bring the expected cost to almost \$47 million.</p>

				<p>There is procurement software from Bonfire Interactive, Ltd., a Canadian e-procurement firm, that's readily available for \$50,000 and used by Dallas, Texas. But New York City officials dismissively declare the Big Apple is vastly different from other major cities, but don't address why proven, far-cheaper options were ruled out.</p> <p>Forty city agencies continue to rely on old-fashioned methods for finding and paying vendors. Yet officials at two agencies, the Department of Information Technology and Telecommunications (DoITT) and the Mayor's Office of Contract Services, that were directly involved in the contract decision-making process, duck basic, reasonable questions about who enabled this boondoggle in the first place.</p> <p>Why was a French company that had never worked with any government in the U.S. given a \$30.5 million contract by the largest municipality in the nation?</p> <p>Why are the agencies involved hiding emails and other lawful public records that could shed light on the origins of this scandal?</p> <p>This is happening now. And few who can do something about it -- like City Council Speaker Corey Johnson -- have taken any action to address it.</p> <p>Then-DoITT Commissioner Anne Roest, who signed the contract; Chief Procurement Officer Michael Owh, who ran point; and KPMG official Samir Khushalani, who was the "executive sponsor," have all left town.</p>
		Item Total	4	
Grand Total			4	