



ELIZABETH BUENROSTRO GINSBERG
TREASURER AND TAX COLLECTOR

**COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR**

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Board of Supervisors

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November 18, 2025

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:

**REQUEST TO EXECUTE SOLE SOURCE AMENDMENT WITH
NEUMO COLUMBIA ULTIMATE, LLC
FOR COLLECTIONS AND ACCOUNTS RECEIVABLE SYSTEM
(ALL DISTRICTS - 3 VOTES)**

SUBJECT

The recommended action is to authorize the Treasurer and Tax Collector (TTC) to execute a sole source Amendment (Amendment) to Contract Number 78523 (Contract) with Neumo Columbia Ultimate, LLC (Neumo) for Collections and Accounts Receivable System (CARS). The Amendment will extend the current term of the Contract, which expires on December 31, 2025, to allow TTC to continue its collection responsibilities without disruption.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Treasurer and Tax Collector, or designee, to execute the attached Amendment to Contract Number 78523 with Neumo for CARS, extending the Contract Term for an additional two years from January 1, 2026, to December 31, 2027, with an annual contract amount not to exceed \$850,000.
2. Delegate authority to the Treasurer and Tax Collector, or designee, to execute Change Notices or Amendments to the Contract to: (i) add, delete, and/or revise certain terms and conditions as mandated by federal, state, or local law or regulation, or as required by the Board, and/or Chief Executive Office; (ii) approve assignment or transfer of the Contract or of Neumo's rights or obligations thereunder; (iii) make changes to the Statement of Work (SOW) as operationally necessary, with all actions subject to prior approval as to form by County Counsel; (iv) internally reallocate funds between budget pools within the Contract; and (v) delegate authority to the

Treasurer and Tax Collector, or designee, to execute applicable Contract amendments in the event an entity acquires the original contracting entity, the original contracting entity merges, or otherwise undergoes a corporate action.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

TTC operates as the collections agency for the County of Los Angeles (County), providing a variety of services, including, but not limited to, collections for the Department of Public Social Services, which are related to CalFresh, CalWORKS, and General Relief Overpayments; as well as delinquent outstanding debt owed to various County departments for personal or mandated services received by individuals or business entities, including victim restitution, fees, and fines for the Probation Department (Probation). Some examples of services include the recovery of overpayments, the collection of fees and penalties, and the recovery of payments owed to the County due to insufficient fund checks.

CARS facilitates the referral of delinquent accounts to TTC, as well as an outside collections agency, manages collection activities, produces notices, and supports payment reconciliation and reporting. Based on the last three fiscal years, TTC annually adds approximately 37,800 new accounts to CARS and collects an average of \$14.0 million in outstanding debt owed to County departments.

As detailed below in the Contracting Process, the Request for Proposals (RFP) did not result in a vendor capable of meeting all technical requirements of the SOW, including thin client compatibility for the replacement Software as a Service (SaaS) solution, requiring further review and the possible release of a revised solicitation.

The Amendment to extend the term of the Contract with Neumo is necessary for TTC to continue utilizing CARS to provide centralized collection services on behalf of County departments.

Implementation of Strategic Plan Goals

The recommendation supports the County's Strategic Plan North Star 3 – Realize Tomorrow's Government Today, Focus Area Goal G, Strategy ii – Manage and Maximize County Assets.

FISCAL IMPACT/FINANCING

The cost for extending the Contract Term for an additional two years is \$1,700,000. Funding for CARS has been included in TTC's Fiscal Year 2025 26 Budget and will be included in each subsequent year's budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On September 6, 2016, the Board approved Contract Number 78523 with Neumo. The Contract Maintenance and Support term was for a period of five years following Final Acceptance achieved on June 30, 2018, with two additional one-year periods and/or six month-to-month extensions, for a maximum contract term until December 31, 2025. The Contract is now in its final six month-to-month extension.

The recommended Amendment will continue the Contract's current requirements and conditions through December 31, 2027. Pursuant to the Amendment, Neumo will continue to provide maintenance and support to CARS.

County Counsel has reviewed and approved the Amendment as to form.

CONTRACTING PROCESS

In accordance with your Board's Policy Number 5.100, Sole Source Contracts and Amendments, a Notice of Intent to Negotiate Sole Source Contract Extension was delivered to your Board on March 21, 2025. After a four-week waiting period, TTC began negotiations with Neumo in June 2025 to extend the existing Contract to ensure continuity of services. The required Sole Source Checklist approved by the Chief Executive Office is attached to this Board Letter as Attachment I.

On July 17, 2025, TTC released a Request for Proposals (RFP) for the provision of CARS and posted the RFP on the County's "Doing Business with Us" website under four Commodity Codes. These Commodity Codes consisted of approximately 5,374 registered vendors. TTC also posted the RFP on TTC's website and emailed it to an additional 13 vendors on TTC's mailing list. Additionally, TTC provided the RFP to the Department of Economic Opportunity, Office of Small Business, who provided it to seven additional collections agencies/accounts receivables businesses in Los Angeles County. On July 31, 2025, TTC hosted a Mandatory Proposers' Conference, which was attended by nine vendors.

TTC received one proposal by the due date of August 22, 2025, from the incumbent. An Evaluation Committee comprised of staff from TTC's Information Technology Branch, TTC's Internal Controls Branch, and Probation utilized the County's Informed Averaging scoring methodology to score the proposal.

The incumbent's proposal did not take any exceptions to the County's terms and conditions. However, during contract negotiations, TTC determined that the incumbent does not currently meet the thin client requirements for the replacement SaaS solution specified in the SOW. As the RFP process did not result in an award to a vendor capable of satisfactorily performing the required services, TTC plans to cancel the RFP, canvass the industry for potential alternatives, and evaluate issuing a Request for Information and/or a revised RFP.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will ensure that TTC can continue its collection responsibilities without disruption.

The Honorable Board of Supervisors

11/18/2025

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Respectfully submitted,

A handwritten signature in cursive script, reading "Elizabeth Buenrostro Ginsberg". The signature is written in dark ink and is positioned above the printed name.

ELIZABETH BUENROSTRO GINSBERG

Treasurer and Tax Collector

EBG:LP:DB:VN:DS:en

Enclosures

c: Acting Chief Executive Officer
Executive Officer, Board of Supervisors
County Counsel

SOLE SOURCE CHECKLIST

Department Name: _____

- ☐ New Sole Source Contract
- ☐ Sole Source Amendment to Existing Contract
- Date Existing Contract First Approved: _____

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS AND AMENDMENTS 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 monopoly is an <i>“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.”</i>
	➤ 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.
	➤ 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 and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support 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 and time to replace an existing system or infrastructure, administrative cost and time 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.

Chief Executive Office

Date

**AMENDMENT NUMBER FIVE
TO CONTRACT NUMBER 78523 FOR
COLLECTIONS AND ACCOUNTS RECEIVABLE SYSTEM**

This Amendment Number Five (Amendment) to Contract Number 78523 (CONTRACT) is made and entered into this ___ day of _____, 2025, by and between the County of Los Angeles (COUNTY) and Neumo Columbia Ultimate, LLC f/k/a Columbia Ultimate, LLC (CONTRACTOR) and is effective as set forth above and based on the following recitals:

RECITALS

WHEREAS, on September 06, 2016, COUNTY and CONTRACTOR entered into CONTRACT for the provision of Collections and Accounts Receivable System; and

WHEREAS, on June 29, 2023, COUNTY exercised its first option to extend the CONTRACT, effective July 1, 2023, through June 30, 2024; and

WHEREAS, on June 11, 2024, COUNTY exercised its second option to extend the CONTRACT, effective July 1, 2024, through June 30, 2025; and

WHEREAS, on April 23, 2025, COUNTY exercised its six month-to-month option to extend the CONTRACT, effective July 1, 2025, through December 31, 2025; and

WHEREAS, pursuant to the Amended Certificate of Formation filed with the Washington Secretary of State on September 22, 2025, Columbia Ultimate, LLC has changed its legal business name to Neumo Columbia Ultimate, LLC; and

WHEREAS, pursuant to Subparagraph 8.1 (Change Notices and Amendments), of CONTRACT, the COUNTY wishes to extend the CONTRACT for a period of two years, effective January 1, 2026, through December 31, 2027; and

NOW THEREFORE, pursuant to Subparagraph 8.1 (Change Notices and Amendments), and in consideration of the foregoing recitals and mutual promises, covenants and conditions contained herein, COUNTY and CONTRACTOR hereby agree that the CONTRACT is amended as follows:

1. The legal name of CONTRACTOR is changed to "Neumo Columbia Ultimate, LLC". References to Columbia Ultimate, LLC throughout the CONTRACT are hereby amended and replaced with Neumo Columbia Ultimate, LLC.
2. The CONTRACT is extended for a period of two years, effective January 1, 2026, through December 31, 2027.
3. Paragraph 4.0 (Term of Contract) of the CONTRACT is amended to delete existing Subparagraph 4.2, in its entirety, and replaced with the revised Subparagraph 4.2 as follows:

4.0 TERM OF CONTRACT

4.2 The term for the Maintenance and Support Services shall commence on the Final Acceptance of the System (Support Start Date) and continue in full force and effect for nine years and six months, unless earlier terminated as provided herein.

4. Paragraph 5.0 (Contract Sum) of the CONTRACT is amended to delete existing Subparagraph 5.1, in its entirety, and replaced with the revised Subparagraph 5.1 as follows:

5.0 CONTRACT SUM

5.1 The maximum Contract Sum under the terms of this Contract shall be the total monetary amount payable by the County to the Contractor for provision of the Services and other work specified herein in accordance with Exhibit B (Pricing Schedule) and shall not exceed \$3,490,015.50.

5. Subparagraph 8.42 (Termination for Convenience) of the CONTRACT is deleted in its entirety.
6. Exhibit B (Pricing Schedule) of the CONTRACT is amended to delete existing Exhibit B (Pricing Schedule), in its entirety, and replaced with the revised Exhibit B (Pricing Schedule).
7. Except as expressly provided in this Amendment, all other mutual promises, covenants, terms and conditions of the CONTRACT will remain the same and in full force and effect.
8. This Amendment may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

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IN WITNESS WHEREOF, the CONTRACTOR and the COUNTY, by order of its Board of Supervisors, has caused this Amendment Number Five to be executed on its behalf, as of the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
ELIZABETH BUENROSTRO GINSBERG
Treasurer and Tax Collector

NEUMO COLUMBIA ULTIMATE, LLC

By  _____
PAUL COLANGELO
Chief Executive Officer

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By _____
Michael Owens
Senior Deputy County Counsel

Date

DELIVERABLES						
DELIVERABLE	DESCRIPTION	ASSOCIATED MILESTONE	DELIVERABLE AMOUNT	EXTENDED AMOUNT (After 20% holdback)		MAXIMUM FIXED PRICE*
License Purchase						
Deliverable 0.0.0	78 Revenue Results Licenses	Phase 0	\$0.00			\$0.00
Completion of Work Requirements		Phase 1	\$29,415.00	\$23,532.00		\$29,415.00
Deliverable 3.1.1	System Implementation Strategy	Phase 1	-			
Deliverable 3.1.2	Project Management Plan	Phase 1	\$2,225.00			
Deliverable 3.1.3	Project Work Plan	Phase 1	\$2,225.00			
Deliverable 3.1.4	Decision Log	Phase 1	-			
Deliverable 3.2.1	End User Requirements	Phase 1	\$2,225.00			
Deliverable 3.2.2	Business Processes Requirements	Phase 1	\$2,225.00			
Deliverable 3.2.3	Functional Requirements (A-O)	Phase 1	\$20,515.00			
Completion of Implementation Plan		Phase 2	\$15,575.00	\$12,460.00		\$15,575.00
Deliverable 4.1.1	Application Configuration Document	Phase 2	\$8,900.00			
Deliverable 5.1.1	Configure The New System	Phase 2	\$6,675.00			
Completion of Data Conversion and Migration		Phase 3	\$13,350.00	\$10,680.00		\$13,350.00
Deliverable 7.1.1	Data Conversion and Migration Plan	Phase 3	\$2,225.00			
Deliverable 7.1.2	Develop Data Conversion and Migration Programs	Phase 3	\$2,225.00			
Deliverable 7.1.3	Data Conversion and Migration Programs	Phase 3	\$4,450.00			
Deliverable 7.2.1	Conversion Test Results Report	Phase 3	\$4,450.00			
Completion of System Development		Phase 4	\$317,040.00	\$253,632.00		\$317,040.00
Deliverable 5.1.2	Necessary Customizations	Phase 4	\$317,040.00			
Completion of Training Plans and Admin Training		Phase 5	\$34,765.00	\$27,812.00		\$34,765.00
Deliverable 9.1.1	Training Plan	Phase 5	\$11,125.00			
SOW Attach III	Training Administration and Setup	Phase 5	\$23,640.00			
Completion of End User Training		Phase 6	\$23,640.00	\$18,912.00		\$23,640.00
SOW Attach III	End User Training	Phase 6	\$23,640.00			
Completion of System Testing		Phase 7	\$22,250.00	\$17,800.00		\$22,250.00
Deliverable 6.1.1	Testing Strategy	Phase 7	\$4,450.00			
Deliverable 6.1.2	Test Results	Phase 7	\$6,675.00			
Deliverable 6.1.3	Tested System	Phase 7	\$11,125.00			
Completion of Interfaces		Phase 8	\$155,500.00	\$124,400.00		\$155,500.00
Deliverable 5.1.3	Interfaces To Outside Agencies And Other County Departments	Phase 8	\$123,400.00			
Deliverable 5.1.4	Integration To Third Party Software	Phase 8	\$32,100.00			
Completion of User Acceptance Test		Phase 9	\$22,250.00	\$17,800.00		\$22,250.00
Deliverable 8.1.1	User Acceptance Test Plan	Phase 9	\$6,675.00			
Deliverable 8.1.2	Conduct User Acceptance Test	Phase 9	\$4,450.00			
Deliverable 8.1.3	User Acceptance Test Results	Phase 9	\$11,125.00			

Completion of System Implementation		Phase 10	\$37,825.00	\$30,260.00		\$37,825.00
Deliverable 9.1.2	Prepare and Provide User Documentation	Phase 10	\$11,125.00			
Deliverable 9.1.3	System Documentation	Phase 10	\$0.00			
Deliverable 7.3.1	Converted Data	Phase 10	\$8,900.00			
Deliverable 10.1.1	System Cutover and Permanent Site Installation Plan	Phase 10	\$6,675.00			
Deliverable 10.2.1	System in Production Use	Phase 10	\$11,125.00			
System Documentation		Phase 11	\$17,800.00	\$14,240.00		\$17,800.00
Deliverable 4.1.2	Final Detail Design Document	Phase 11	\$13,350.00			
Deliverable 10.3.1	Non-Deficient System Production Use	Phase 11	\$4,450.00			
Post-Implementation Documentation		Phase 12	\$0.00	\$0.00		\$0.00
Deliverable 10.4.1	Post-Implementation Review Report	Phase 12	\$0.00			
SUBTOTAL (Deliverables)				\$551,528.00		\$689,410.00
						MAXIMUM FIXED PRICE*
Ia. DELIVERABLES				\$551,528.00		\$689,410.00
IIa. MAINTENANCE AND SUPPORT SERVICES**		Monthly allocation over 90 months (seven years and six months) would be \$8,200/month to begin at implementation after Final Acceptance				\$738,012.00
III. TRAVEL ALLOCATION		Billed as Incurred, Not to Exceed				\$20,000.00
SUBTOTAL		\$1,447,422.00				
IV. ADDITIONAL WORK PRICING						
a. SYSTEM TRAINING		Training Services are billed at \$160/Hour				
b. PROFESSIONAL SERVICES		Professional Services are billed at \$160/Hour				
c1. ADDITIONAL LICENSES		Additional licenses can be purchased at \$4,200 plus an additional \$1,155 support per concurrent user prorated on an annual basis.				
d. POST-IMPLEMENTATION DOCUMENTATION		Billed as Incurred, Not to Exceed \$17,800.00				
V1. Pool Dollars		Pool Dollars Beginning Balance			Remaining Total	\$250,000.00
		Change Notice 1: Deliverable Modification (Pricing Schedule)			\$250,000.00	\$0.00
		Change Notice 2: System Modification (Victim Restitution Module)			\$247,440.00	\$2,560.00
		Change Notice 3: DPSS Modification			\$244,880.00	\$2,560.00
		Change Notice 4: Probation Dept File Import			\$238,320.00	\$6,560.00
		Change Notice 5 (Modification): DPSS Modification (Modification not-to-exceed \$7,200)			\$231,120.00	\$7,200.00
		Change Notice 6 (Modification): TTC Costs and Fees (Modification not-to-exceed \$1,920)			\$229,200.00	\$1,920.00
		Change Notice 8 (Modification): TTC Document Migration and Disable/Enable a Save Option			\$215,280.00	\$13,920.00
		Change Notice 9 (Modification): DPSS Warning Banner			\$210,480.00	\$4,800.00
		Change Notice 10 (Modification): Probation Dept File Import			\$205,680.00	\$4,800.00
		Change Notice 11 (Modification): DPSS Re-Referral of CalWORKs and CalFresh Accounts			\$199,280.00	\$6,400.00
		Change Notice 12 (Modification): TTC - ICB Reports Enhancements - CN 12 HAS BEEN CANCELLED			\$199,280.00	\$40,640.00
		Change Notice 13 (Modification): TTC - IT Microsoft Server and SQL Server Upgrades			\$189,680.00	\$9,600.00
		Change Notice 14 (Modification): TTC ICB Reports Enhancement - (includes portions of CN12)			\$170,480.00	\$19,200.00
		Pool Dollars Remaining Total				\$170,480.00
AMENDMENT NUMBER ONE TOTAL COSTS		DA/Sheriff Amendment Number One (adopted March 20, 2018)				\$105,645.00
Ib. DELIVERABLES		DA/Sheriff Amendment Number One		\$36,800.00		
IIb. MAINTENANCE AND SUPPORT SERVICES		DA/Sheriff Amendment Number One		\$50,445.00		
c2. ADDITIONAL LICENSES		DA/Sheriff Amendment Number One		\$8,400.00		

V2. Pool Dollars (DA/Sheriff)	Additional Services for inmate Victim Restitution	\$10,000.00		
DA RevQ Licenses and Interfaces Premise Maintenance	Removal of Two Licenses (\$6,525.75 each)	\$6,525.75		\$13,051.50
AMENDMENT NUMBER FIVE TOTAL COSTS	Additional 2 years of Maintenance and Support Services			\$1,700,000.00
REVISED GRAND TOTAL				\$3,490,015.50

*There will be 20% withholds on all invoices/payments to be paid by County to Contractor at the completion of Final Acceptance.

**Payments for Maintenance and Support Services will be paid annually in advance commencing at implementation after Final Acceptance.