

Quality and Productivity Commission
26th Annual Productivity and Quality Awards Program
"Investing in a Quality Future"

2012 APPLICATION

Title of Project (Limited to 50 characters, including spaces):

NAME OF PROJECT: THE CONTRACTOR ALERT REPORTING DATABASE

DATE OF IMPLEMENTATION/ADOPTION: JUNE 14, 2011
 (Must have been implemented at least one year - on or before June 30, 2011)

PROJECT STATUS: X Ongoing One-time only

DID YOU SUBMIT THIS PROJECT BEFORE? Yes X No

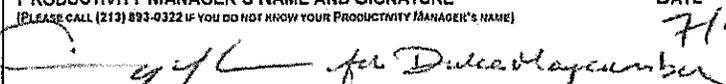
EXECUTIVE SUMMARY: Describe the project in 15 lines or less using Arial 12 point font. Summarize the problem, solution, and benefits of the project in a clear and direct manner

1 Los Angeles County has over 7,500 active contracts, at a total cost of \$15.5 billion.
 2 However, the County did not have a centralized database that all departments could
 3 share to identify poorly performing contractors. As a result, one County department
 4 may award contracts to contractors and not be aware that the contractors have had
 5 fiscal solvency issues or performance issues with other County departments. The
 6 Board of Supervisors directed a Task Force with representatives from the Auditor-
 7 Controller (A-C), the Chief Executive Office (CEO), County Counsel, and Internal
 8 Services Department (ISD) to develop a Countywide method to share contractor
 9 information and track poorly performing contractors. The Task Force developed and
 10 implemented the Contractor Alert Reporting Database (CARD). The CARD allows
 11 departments to report poorly performing contractors in a centralized online database. It
 12 further allows departments to share performance information of potential contractors.
 13 Lastly, CARD encourages contractors to correct areas of non-compliance, including
 14 repaying the County for inappropriate billings. During 2011-12, three contractors repaid
 15 the County \$450,000 in questioned costs to avoid being placed in CARD.

(1) ESTIMATED/ACTUAL ANNUAL COST AVOIDANCE	(2) ESTIMATED/ACTUAL ANNUAL COST SAVINGS	(3) ESTIMATED/ACTUAL ANNUAL REVENUE	(1) + (2) + (3) TOTAL ESTIMATED/ACTUAL BENEFIT	SERVICE ENHANCEMENT PROJECT
\$ 450,000	\$	\$	\$ 450,000	X

SUBMITTING DEPARTMENT NAME AND COMPLETE ADDRESS Auditor-Controller 500 W Temple St, Room 525 Los Angeles, Ca 90012	TELEPHONE NUMBER (213) 974-8302
---	------------------------------------

PROGRAM MANAGER'S NAME Agripino Alonso	TELEPHONE NUMBER (213) 253-0304 EMAIL Aalonso@auditor.lacounty.gov
---	---

PRODUCTIVITY MANAGER'S NAME AND SIGNATURE <small>(PLEASE CALL (213) 893-0322 IF YOU DO NOT KNOW YOUR PRODUCTIVITY MANAGER'S NAME)</small>  Dulce Maycumber	DATE 7/9/12	TELEPHONE NUMBER (213) 974-0354 EMAIL dmaycumber@auditor.lacounty.gov
--	----------------	--

DEPARTMENT HEAD'S NAME AND SIGNATURE  Wendy L. Watanabe	DATE 7/9/12	TELEPHONE NUMBER (213) 974-0383
--	----------------	------------------------------------

Quality and Productivity Commission
26th Annual Productivity and Quality Awards Program
"Investing in a Quality Future"

2012 APPLICATION

Title of Project (Limited to 50 characters, including spaces):

NAME OF PROJECT: THE CONTRACTOR ALERT REPORTING DATABASE

FACT SHEET – LIMITED TO 3 PAGES ONLY: Describe the **Challenge, Solution, and Benefits** of the project, written in plain language. Include a discussion of the technology and linkage to the County Strategic Plan. The description should identify Performance Measures.

CHALLENGE (suggest ½ to one page)

Los Angeles County has approximately 7,500 active contracts with budgets totaling \$15.5 billion. With the exception of Proposition A, information technology, construction and cafeteria contractors, which account for approximately 600 contracts, the County did not have a central database to track poorly performing contractors. This is a serious concern since many of these contractors provide vital services, such as children, mental, or health services, directly to Los Angeles County residents.

The A-C has routinely issued reports of poorly performing children, mental, and health services contractors, some of which materially overbilled the County or spent program funds inappropriately. Many of these contractors provided services to more than one County department. In the past, County departments may have called other departments to share contractor performance information. However, this process was not formalized and not always done. This lack of centralized information could allow poorly performing contractors to hide their poor performance from other County departments.

The Board of Supervisors directed the Auditor-Controller, CEO, County Counsel, and ISD to establish a Working Group of contract subject-matter experts. In addition to the named departments, the Working Group also had representatives from the Departments of Children and Family Services, Public Social Services, Health Services, Mental Health, and Public Health. The Working Group was formed to establish a mechanism, within existing County resources, to alert departments of all poorly performing contractors that will result in contractors providing improved services to the County and its constituents.

SOLUTION (suggest ½ to one page)

The Working Group shared their extensive contracting knowledge and experience to implement the Contractor Alert Reporting Database (CARD) system, within existing County resources, to track poorly performing contractors. CARD has been integrated into the County's enterprise-based financial eCAPS system to capture performance information for poorly performing contractors. Integrating CARD into eCAPS:

- Gives all departments easy access to information on poorly performing contractors.
- Reduces the amount of staff time needed to enter contractor identification information in CARD since key contractor information is already in the eCAPS financial section.

Quality and Productivity Commission
26th Annual Productivity and Quality Awards Program
"Investing in a Quality Future"

2012 APPLICATION

Title of Project (Limited to 50 characters, including spaces):

NAME OF PROJECT: THE CONTRACTOR ALERT REPORTING DATABASE

- Eliminates the need to establish and maintain another countywide system.
- Reduces the need for additional resources to provide technical support.

As part of CARD implementation, the A-C staff:

- Played key roles in revising standardized countywide contract solicitation instructions to include requiring departments to check CARD as part of the proposal evaluation process.
- Developed a CARD user manual to assist departmental staff. The manual provides instructions on how to effectively use CARD as a contract monitoring tool, and to provide the contractor with due process.
- Provided training to over 400 County managers and staff.

A-C staff will also continue to provide technical support and assist County departments, on an as-needed basis, to address CARD-related concerns, such as determining when departments should place contractors in CARD.

BENEFITS (suggest 1 to 2 pages)

Overall, CARD will result in contractors providing improved services to the County and its constituents. CARD holds contractors more accountable, and is an incentive for contractors to comply with the County contract requirements or correct noted deficiencies. Being placed in CARD can severely impact a contractor's ability to receive future County contracts.

CARD also strongly encourages contractors listed in the System to correct the noted deficiencies to have their status in CARD changed from "active" (performance issues) to "deactivated" (no current performance issues). A contractor listed in CARD with a deactivated status is generally not penalized when submitting proposals for future County contracts.

CARD improves the County's oversight of its contractors by allowing departments to more efficiently share contractor performance information. In the past, departments might have called each other to share contractor performance information. However, this process was not formalized and was not always done. Sharing contractor performance information on the centralized CARD database helps departments better identify poorly performing contractors, and to more effectively utilize limited County resources (staffing and funding) to monitor those contractors.

CARD also helps standardize and streamline the County's contract solicitation process. As part of the CARD implementation, the Working Group developed

Quality and Productivity Commission
26th Annual Productivity and Quality Awards Program
“Investing in a Quality Future”

2012 APPLICATION

Title of Project (Limited to 50 characters, including spaces):

NAME OF PROJECT: THE CONTRACTOR ALERT REPORTING DATABASE

standardized guidelines for departments to follow during a contract solicitation proposal evaluation process. The standardized guidelines identify standard point deductions for contractors listed in CARD, and helps ensure that departments use the information in CARD consistently when scoring proposals. The standardized guidelines enhance the County’s ability to contract only with organizations that have complied with the County contract requirements.

Implementation of CARD addresses the County Strategic Goal of “Operational Effectiveness.” CARD also supports the strategies of Service Excellence, Workforce Excellence, Organization Effectiveness, Fiscal Responsibility, and effective utilization of Information Technology. The following benefits are achieved:

- Service Excellence:
 - Greater oversight and monitoring of contractor performance resulting in improved services
 - Increased effectiveness by streamlining the County’s contract solicitation process by promoting proposal evaluation consistency across departments, and ensuring that contractor performance is part of the evaluation process.
- Workforce Excellence: Allows departmental staff to easily access and share information countywide
- Organizational Effectiveness: Improved support of County operations by establishing a central database and standardized guidelines to assist managers and staff in making more informed decisions in selection of future contractors
- Fiscal Responsibility: Ensure County contract funds are effectively used and tied to performance standards
- Information Technology: Utilized existing technology which results in savings, efficiencies, and ensures the database is secure within the County infrastructure

Quality and Productivity Commission
26th Annual Productivity and Quality Awards Program
"Investing in a Quality Future"

2012 APPLICATION

Title of Project (Limited to 50 characters, including spaces):

NAME OF PROJECT: THE CONTRACTOR ALERT REPORTING DATABASE

COST AVOIDANCE, COST SAVINGS, AND REVENUE GENERATED (ESTIMATED BENEFIT): Use this page to provide a breakdown of the estimated/actual costs benefits. As a suggestion, work with your fiscal staff.

Cost Avoidance: Anticipated costs that are eliminated or not incurred as a result of program outcomes.

Cost Savings: A reduction or lessening of expenditures as a result of program outcomes.

Revenue: Increases in existing revenue streams or new revenue sources to the County as a result of program outcomes.

(1) ACTUAL/ESTIMATED ANNUAL COST AVOIDANCE	(2) ACTUAL/ESTIMATED ANNUAL COST SAVINGS	(3) ACTUAL/ESTIMATED ANNUAL REVENUE	(1) + (2) + (3) TOTAL ANNUAL ACTUAL/ESTIMATED BENEFIT	SERVICE ENHANCEMENT PROJECT
\$ 450,000	\$	\$	\$ 450,000	<input checked="" type="checkbox"/>

The overall outcome of CARD is enhanced contracted services to the County and its constituents. However, CARD also encourages contractors to correct areas of non-compliance including repaying the County for funds that were used inappropriately (questioned costs). As a result, a portion of CARD's benefit can be measured based on the amount of questioned costs repaid by the contractors in order not to be placed in CARD.

During Fiscal Year 2011-12, the A-C's audits identified eight contractors who had performance issues that justified that they be placed in CARD. During the CARD notification process, three (38%) of the eight contractors implemented the appropriate corrective action, including repaying the County \$450,000, to avoid being placed in CARD. The departments responsible for the remaining five contractors are in the process of placing the contractors in CARD.

Quality and Productivity Commission
26th Annual Productivity and Quality Awards Program
"Investing in a Quality Future"

2012 APPLICATION

Title of Project (Limited to 50 characters, including spaces):

NAME OF PROJECT: THE CONTRACTOR ALERT REPORTING DATABASE

FOR COLLABORATING DEPARTMENTS ONLY

(for single department submissions, do not include this page)

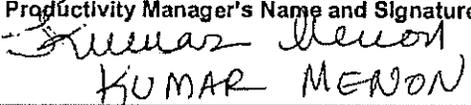
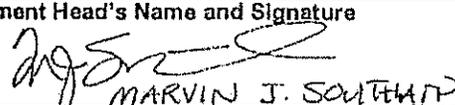
DEPARTMENT NO. 2 NAME AND COMPLETE ADDRESS County Counsel Attn: Elizabeth Friedman 500 W Temple St, Ste 648 Los Angeles, CA 90012	
Productivity Manager's Name and Signature SIGNATURE ON FILE	Department Head's Name and Signature SIGNATURE ON FILE
DEPARTMENT NO. 3 NAME AND COMPLETE ADDRESS Internal Services Department Attn: Yolanda Young 1100 N Eastern Ave Los Angeles, CA 90063	
Productivity Manager's Name and Signature SIGNATURE ON FILE	Department Head's Name and Signature SIGNATURE ON FILE
DEPARTMENT NO. 4 NAME AND COMPLETE ADDRESS Chief Executive Office Attn: Scott Wiles 500 W Temple St, Ste 713 Los Angeles, CA 90012	
Productivity Manager's Name and Signature SIGNATURE ON FILE	Department Head's Name and Signature SIGNATURE ON FILE
DEPARTMENT NO. 5 NAME AND COMPLETE ADDRESS Department of Public Social Services Attn: Gary Akopyan 12900 Crossroads Parkway South City of Industry, CA 91746	
Productivity Manager's Name and Signature SIGNATURE ON FILE	Department Head's Name and Signature SIGNATURE ON FILE

Quality and Productivity Commission
26th Annual Productivity and Quality Awards Program
"Investing in a Quality Future"

2012 APPLICATION

Title of Project (Limited to 50 characters, including spaces):

NAME OF PROJECT: THE CONTRACTOR ALERT REPORTING DATABASE

DEPARTMENT NO. 6 NAME AND COMPLETE ADDRESS Department of Children and Family Services Attn: Diana Flaggs 425 Shatto Place, Ste 400 Los Angeles, CA 90020	
Productivity Manager's Name and Signature SIGNATURE ON FILE	Department Head's Name and Signature SIGNATURE ON FILE
DEPARTMENT NO. 7 NAME AND COMPLETE ADDRESS Department of Health Services Attn: Kathy Hanks 5555 Ferguson Dr, Ste 210-00 Commerce, CA 90022	
Productivity Manager's Name and Signature SIGNATURE ON FILE	Department Head's Name and Signature SIGNATURE ON FILE
DEPARTMENT NO. 8 NAME AND COMPLETE ADDRESS Department of Mental Health Attn: Richard Kushi 550 S Vermont Ave Los Angeles, CA 90020	
Productivity Manager's Name and Signature  KUMAR MENON	Department Head's Name and Signature  MARVIN J. SOUTHWARD
DEPARTMENT NO. 9 NAME AND COMPLETE ADDRESS Department of Public Health Attn: Raymond Low 5555 Ferguson Dr., Ste 320-10 Los Angeles, CA 90022	
Productivity Manager's Name and Signature SIGNATURE ON FILE	Department Head's Name and Signature SIGNATURE ON FILE