



County Executive Office

SL3B

Memorandum

June 22, 2011

To: Darlene Bloom, Clerk of the Board  
From: Thomas G. Mauk, County Executive Officer  
Subject: Exception to the Rule 21

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[Handwritten signature]

The County Executive Office is requesting a supplemental for the June 28, 2011 Board Hearing Meeting.

Agency: County Executive Office  
SUBJECT: Contract Cost Reduction Program  
District All

Reason for supplemental: As directed by the Board of Supervisors on the 6/21/11 Board meeting.

Concur: John Campbell for  
Bill Campbell, Chairman, Board of Supervisors

cc: Rob Richardson, Assistant County Executive Officer



SUPPLEMENTAL AGENDA STAFF REPORT

MEETING DATE: 06/28/11  
 LEGAL ENTITY TAKING ACTION: Board of Supervisors  
 BOARD OF SUPERVISORS DISTRICT(S): All Districts  
 SUBMITTING AGENCY/DEPARTMENT: County Executive Office  
 DEPARTMENT CONTACT PERSON(S): Robert J. Franz (714) 834-4304  
 Ronald C. Vienna (714) 834-6889

< SUBJECT: Contract Cost Reduction Program

|                |                              |                                                            |
|----------------|------------------------------|------------------------------------------------------------|
| CEO CONCUR<br> | COUNTY COUNSEL REVIEW<br>N/A | CLERK OF THE BOARD<br>Discussion<br>3 Votes Board Majority |
|----------------|------------------------------|------------------------------------------------------------|

Budgeted: N/A                      Current Year Cost: N/A                      Annual Cost: N/A  
 Staffing Impact: No                      # of Positions:                      Sole Source: N/A  
 Current Fiscal Year Revenue: N/A  
 Funding Source: N/A

Prior Board Action: 06/21/11 Item #56

RECOMMENDED ACTION(S):

1. Approve the attached list of County issued Cooperative Agreements for participation in the Voluntary Contract Cost Reduction Program to accept reduction in contract prices by 10% during FY 11-12 and authorize the County Purchasing Agent or his designee to execute contract extensions in accordance with the program guidelines.
2. Approve additional departmental contracts listed below for participation in the Voluntary Contract Cost Reduction Program; and in accordance with program guidelines and procedures, authorize the County Purchasing Agent or his designee to execute contract extensions in accordance with the Program guidelines.

| Agy/Dept | Contract #                 | Vendor                           | Contract Value |
|----------|----------------------------|----------------------------------|----------------|
| JWA      | MA-280-<br>CVPAN3000008564 | Secsol Inc.                      | \$ 10,800.00   |
| JWA      | MA-280-10012781            | North American Elevator Services | \$ 323,536.00  |
| HRD      | MA-054-10012060            | Hartford Life Insurance Company  | \$ 327,663.20  |
| HRD      | 06-004DE                   | VA Consulting                    | \$ 235,000.00  |
| CR       | MA-059-1101163             | Corelogic                        | \$ 220,000.00  |
| Assessor | MA-002-11010337            | Digital Map Products (DMP)       | \$ 91,600.00   |

## **SUMMARY:**

Approve the attached list of County Cooperative Agreements and additional departmental contracts for participation in the Voluntary Contract Cost Reduction (VCCR) Program that exceed the delegated authority of the County Purchasing Agent and authorize the County Purchasing Agent or his designee to execute contract extensions in accordance with VCCR guidelines.

## **BACKGROUND INFORMATION:**

The County VCCR Program has been successful at reducing contract costs for over 160 contracts by 10%. Collectively, these efforts will result in cost reductions totaling over \$2.6M during fiscal year 2011-2012. In accordance with the Board's direction, the CEO filed a report for the June 21, 2011 Board meeting requesting approval for approximately 36 contracts that exceeded the delegated authority granted to the County Purchasing Agent. The Board approved participation of all departmental contracts and directed the CEO to return to the Board for approval of the CEO/Procurement Office (CPO) Master Agreements that contained an "unlimited" contract amount. This Agenda Staff Report provides additional information pertaining to CPO issued Master Agreements, as well as, contract information for separate review and approval by the Board of Supervisors.

In accordance with Board policy, the Procurement Office conducts solicitations and negotiates contracts for goods and services commonly purchased by County agencies and departments. The County currently maintains approximately 115 County Master Agreements for goods and services ranging from Office Supplies to Temporary Help Services.

Master Agreements are set up to allow individual purchases (encumbrances) to be made at the department level by their assigned Deputy Purchasing Agent, in accordance with the policies and procedures detailed in the Contract Policy Manual (CPM). The departmental contracts issued against County Master Agreements contain "not-to-exceed" dollar limits that are determined by the department head. When limits exceed the amount delegated by the Board of Supervisors, the department is required to seek approval from the Board of Supervisors.

Approval of the attached list of County Master Agreements will provide authorization to accept a reduction of the prices and fees charged by the vendor during fiscal year 2011-2012, in exchange for a 12 month extension to be executed by the CEO/Procurement Office at the end of the negotiated term (including renewals). Contract extensions granted under this program are subject to additional program guidelines approved by the Board. These guidelines are as follows:

1. Participation will be limited to those contracts that the Department does not plan to significantly alter and/or modify the scope of goods/services.
2. Participation will be limited to those contracts that the Department does not anticipate a greater than 10% reduction in cost through a rebidding process.
3. Department determines that there is a continuous need for the goods and services.
4. Appropriate fiscal appropriations have been approved by the Board of Supervisors.
5. The vendor's past performance has been acceptable to the County.

Recommended Action #2 requests approval for 6 additional contracts to participate in the VCCR Program that have recently been approved at the departmental level. Participation of these contracts in the VCCR Program requires approval by the Board because they exceed the delegated authority of the County

Purchasing Agent. The CEO has included these contracts in this Agenda Staff Report to avoid multiple Agenda Staff Reports from being filed by each agency/department.

**FINANCIAL IMPACT:**

N/A

**STAFFING IMPACT:**

N/A

**ATTACHMENT(S):**

1. List of County Cooperative Agreements



**OC CONTRACT COST REDUCTION PROGRAM**  
**List of County Master Agreement Issued By**  
**CEO/Procurement Office**

| Contract #        | Company Name                              | Description                                            | Total Contract Value | Contract End Date** | Countywide Expenditure (Est) | Contract Value      |
|-------------------|-------------------------------------------|--------------------------------------------------------|----------------------|---------------------|------------------------------|---------------------|
| MA-017-10011571   | *Certified Fire Extinguisher Service, Inc | Fire Extinguisher and Fire System Maintenance Services | *Unlimited           | 1/31/2012           | \$ 38,705.30                 | \$ 3,870.53         |
| MA-017-10011121   | *Todd Painting, Inc                       | Painting Services under \$15K (primary)                | *Unlimited           | 10/14/2011          | \$ 202,472.69                | \$ 20,247.27        |
| MA-017-10011106   | *Roseland Painting Inc.                   | Painting Services under \$15K (secondary)              | *Unlimited           | 10/14/2011          | \$ 10,000.00                 | \$ 1,000.00         |
| MA-017-10011673   | *AIM Computer Training                    | Computer Related Technical Training                    | *Unlimited           | 1/31/2013           | \$ 8,150.00                  | \$ 815.00           |
| MA-017-10011639   | *Popular Tech                             | Information Technology Professional Services           | *Unlimited           | 5/31/2012           | \$ 2,000.00                  | \$ 200.00           |
| MA-017-10013337-1 | Industrial Waste Utilization              | Hazardous Waste Disposal Services                      | *Unlimited           | 7/31/2013           | \$ 30,656.31                 | \$ 3,065.63         |
| MA-017-11011831   | Corporate Relocation Services             | Moving Services                                        | *Unlimited           | 10/31/2012          | \$ 16,000.00                 | \$ 1,600.00         |
| MA-017-10011826   | DS Waters of America                      | Bottled Water                                          | *Unlimited           | 2/28/2013           | \$ 70,563.50                 | \$ 7,056.35         |
| MA-017-10011672   | KML Enterprise, Inc                       | Computer Related Technical Training                    | *Unlimited           | 1/31/2013           | \$ 3,309,416.60              | \$ 330,941.66       |
| MA-017-10011471   | Daily Journal Corp                        | Legal Notices, Advertising and Publishing Services     | *Unlimited           | 11/30/2011          | \$ 236,200.00                | \$ 23,620.00        |
| MA-017-10011639   | Persona Computing Inc dba Team Persona    | Information Technology Professional Services           | *Unlimited           | 5/31/2012           | \$ 5,000.00                  | \$ 500.00           |
|                   |                                           |                                                        |                      |                     | <b>TOTAL:</b>                | <b>\$392,916.44</b> |

\*Unlimited - Purchases capped at the department level

\*\*Contract end date reflects the current contract term end date prior to renewals or extension