

LIVE VIRTUAL COMMITTEE MEETING

*The Committee meeting will be held following the Board of Retirement meeting scheduled prior.



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

You may submit a request to speak during Public Comment or provide a written comment by emailing PublicComment@lacera.com. If you would like to remain anonymous at the meeting without stating your name, please let us know.

Attention: Public comment requests must be submitted via email to PublicComment@lacera.com.

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION
300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

AGENDA

MEETING OF THE OPERATIONS OVERSIGHT COMMITTEE and BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 NORTH LAKE AVENUE, SUITE 810
PASADENA, CA 91101

WEDNESDAY, FEBRUARY 2, 2022 - 9:00 A.M.**

This meeting will be conducted by the Operations Oversight Committee by teleconference under California Government Code Section 54953(e).

Any person may view the meeting online at
<http://lacera.com/leadership/board-meetings>

*The Committee may take action on any item on the agenda,
and agenda items may be taken out of order.*

COMMITTEE MEMBERS:

Alan Bernstein, Chair
Herman B. Santos, Vice Chair
Keith Knox
Antonio Sanchez
JP Harris, Alternate

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of January 5, 2022

II. PUBLIC COMMENT

(Written Public Comment – You may submit written public comments by email to PublicComment@lacera.com. Correspondence will be made part of the official record of the meeting. Please submit your written public comments or documentation as soon as possible and up to the close of the meeting.)

Verbal Public Comment – You may also request to address the Committee at PublicComment@lacera.com before and during the meeting at any time up to the end of the Public Comment item. We will contact you with information and instructions as to how to access the meeting as a speaker. If you would like to remain anonymous at the meeting without stating your name, please let us know.)

III. ACTION ITEMS

- A. Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Committee provide input and make a recommendation to the Board of Retirement (Board), with a copy to the Board of Investments, to utilize and contract with Prime Government Solutions, Inc. (“[PrimeGov](#)”) for the management of both Boards and all Committee meetings, including agenda management, livestreaming, recordings, online archives, and a public interface solution, with an indefinite retention period for archiving the audio and visual recordings.
(Public Memo dated January 13, 2022)
(Confidential Memo dated January 13, 2022)
- B. Recommendation as submitted by Shonita Peterson, Process Management Group: That the Committee approve the release of a Request for Proposal (RFP) to solicit proposals for a pre-paid debit card program to support LACERA members who opt not to receive, or cannot receive, paper checks, or enroll in our direct deposit program. (Memo dated January 25, 2022)

IV. REPORTS

- A. LACERA Operations Briefing
Luis A. Lugo, Deputy Chief Executive Officer
JJ Popowich, Assistant Executive Officer
Laura Guglielmo, Assistant Executive Officer
- B. Business Continuity Tabletop Exercise and Disaster Recovery Test Results
James Beasley, Supervising Administrative Assistant
Celso Templo, Information Technology Manager

V. ITEMS FOR STAFF REVIEW

VI. GOOD OF THE ORDER

(For information purposes only)

VII. EXECUTIVE SESSION

A. Potential Threats to Public Services or Facilities (Pursuant to Subdivision (a) of California Government Code Section 54957)

Consultation with: LACERA Chief Executive Officer Santos H. Kreimann, Deputy Chief Executive Officer Luis Lugo, Systems Division Interim Manager Kathy Delino, Chief Information Security Officer Bob Schlotfeld, and Other LACERA Staff.

No. of Topics: 2
Cybersecurity
Disaster Recovery Plan

VIII. ADJOURNMENT

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

****Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Board of Retirement meeting preceding it. Please be on call.**

Any documents subject to public disclosure that relate to an agenda item for an open session of the Committee, that are distributed to members of the Committee less than 72 hours prior to the meeting, will be available for public inspection at the time they are distributed to a majority of the Committee, at LACERA's offices at 300 North Lake Avenue, Suite 820, Pasadena, California during normal business hours from 9:00 a.m. to 5:00 p.m. Monday through Friday.

Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email PublicComment@lacera.com, but no later than 48 hours prior to the time the meeting is to commence.

MINUTES OF THE MEETING OF THE
OPERATIONS OVERSIGHT COMMITTEE
and
BOARD OF RETIREMENT*

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

GATEWAY PLAZA - 300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

WEDNESDAY, JANUARY 5, 2022, 12:01 P.M. – 12:31 P.M.

This meeting was conducted by the Operations Oversight Committee by teleconference under the Governor's Executive Order No. N-29-20.

COMMITTEE MEMBERS

PRESENT: Herman B. Santos, Vice Chair
Les Robbins
Vivian H. Gray, Alternate

ABSENT: Shawn R. Kehoe, Chair

ALSO ATTENDING:

BOARD MEMBERS AT LARGE

Alan Bernstein
JP Harris
Keith Knox
Wayne Moore
William Pryor
Antonio Sanchez

STAFF, ADVISORS, PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer
Luis Lugo, Deputy Chief Executive Officer
JJ Popowich, Assistant Executive Officer
Laura Guglielmo, Assistant Executive Officer
Steven Rice, Chief Counsel
James Beasley, Supervising Administrative Assistant

Klausner, Kaufman, Jensen & Levinson
Robert Klausner, Partner

The meeting was called to order by Vice Chair Santos at 12:01 p.m. In the absence of Chair Kehoe, Vice Chair Santos announced that Ms. Gray, as the alternate, would be a voting member of the Committee.

I. APPROVAL OF THE MINUTES

A. Approval of the minutes of the regular meeting of December 1, 2021

Ms. Gray made a motion, Mr. Robbins seconded, to approve the minutes of the regular meeting of December 1, 2021. The motion passed unanimously.

II. PUBLIC COMMENT

Mr. Brian Ross, attorney for Tod Hipsher, made a public comment at the Board of Retirement meeting regarding Operations Oversight Committee Item III-B.

III. ACTION ITEMS

A. Recommendation as submitted by James C. Beasley, Jr., Supervising Administrative Assistant II: That the Committee authorize staff to issue a Request for Proposal (RFP) for insurance broker services for LACERA's general and fiduciary liability insurance program. The brokerage services include insurance administration, loss control, and other related miscellaneous services to LACERA. (Memorandum dated December 10, 2021)

Mr. Robbins made a motion, Ms. Gray seconded, to approve the recommendation. The motion passed unanimously.

B. Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Committee recommend to the Board of Retirement the approval of the revised Administrative Appeals Procedures for Felony Forfeiture. (Memorandum dated December 27, 2021)

Mr. Santos made a motion, Ms. Gray seconded, to approve the recommendation, with amendments as discussed by Mr. Rice. The motion passed unanimously.

IV. REPORTS

A. LACERA Operations Briefing

Luis Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officers

Laura Guglielmo, Assistant Executive Officer

Ms. Guglielmo, Messrs. Lugo and Popowich presented the monthly briefing sharing insights on staff and divisional activities within LACERA's Operations and Administration components, including the status of the Strategic Plan Goals and Operations Improvement Initiatives, progress on the "100-Day Management Report," and an update on other projects.

- Public Records Request Update
- Report of Felony Forfeiture Cases Processed

V. ITEMS FOR STAFF REVIEW

There was nothing to report

VI. GOOD OF THE ORDER

(For information purposes only)

VII. ADJOURNMENT

The meeting adjourned at 12:31 p.m.

***The Board of Retirement has adopted a policy permitting any member of the Board to attend a standing committee meeting open to the public. In the event five or more members of the Board of Retirement (including members appointed to the Committee) are in attendance, the meeting shall constitute a joint meeting of the Committee and the Board of Retirement. Members of the Board of Retirement who are not members of the Committee may attend and participate in a meeting of a Board Committee but may not vote on any matter discussed at the meeting. The only action the Committee may take at the meeting is approval of a recommendation to take further action at a subsequent meeting of the Board.**

January 13, 2022

TO: Each Trustee
Board of Retirement

FROM: Santos H. Kreimann ^{SHK}
Chief Executive Officer

FOR: February 2, 2022 Operations Oversight Committee Meeting

SUBJECT: **BOARD & COMMITTEE AGENDA MANAGEMENT, RECORDINGS, ONLINE ARCHIVES, AND PUBLIC INTERFACE**

RECOMMENDATION

That the Operations Oversight Committee (“OOC”) provide input and make a recommendation to the Board of Retirement (Board), with a copy to the Board of Investments, to utilize and contract with Prime Government Solutions, Inc., (“[PrimeGov](#)”) for the management of both Boards and all Committee meetings, including agenda management, livestreaming, recordings, online archives, and a public interface solution, with an indefinite retention period for archiving the audio and visual recordings.

BACKGROUND

Currently, all facets of managing, conducting, and livestreaming Board and Committee meetings are accomplished using manual processes and meeting recordings are not available online. The main tasks of these manual processes are supported by the Executive Board Assistants and Systems staff. To enhance this process, LACERA is looking to implement a more effective meeting management tool to help streamline the planning and conducting of Board meetings while improving transparency and public access.

The following lists some of the manual processes used currently to conduct LACERA’S Board and Committee meetings:

- Meeting Materials: Agenda and item creation, review, and approval; and distribution of meeting materials to the Trustees, staff, and consultants.
- In-Meeting Management: Livestreaming, recording, roll call, motions, actions, votes, trustee queue, and public comments.
- Post Meeting Management: Preparation of minutes; and archiving recordings internally. Public records requests for recordings are handled manually via a link or DVD (which is the media currently available for pre-2020 meetings).

All the items above can be streamlined using a tool such as PrimeGov to manage meetings and improve transparency and public access. For additional background information, a memo from the February 24, 2021 JOGC meeting on this topic is attached

(Attachment A). The JOGC memo for its meeting on April 22, 2021 (Attachment B) was placed on the agenda but pulled by staff for further development.

Staff has completed its due diligence as described more fully below and is ready to present an option for discussion and recommendation by the OOC.

LEGAL AUTHORITY

The OOC has the authority to evaluate and formulate a recommendation to the Board of Retirement concerning this issue as it is an administrative activity affecting the administration of the retirement system and within the scope of Section I of the BOR Standing Committee Charter, which defines the OOC's authority, including, relevant to this memo, subsections 1 (Enterprise Governance), 2 (Procurement), and 6 (Information Technology & Data Security).

The management of board meetings, and the process related thereto, is within the plenary authority and exclusive fiduciary responsibility of the Board over administration of the system under Article XVI, Section 17 of the California Constitution.

In regard to posting and archiving of Board and Committee recordings, the Board has the legal authority, but not the obligation, to publicly broadcast or record their open meetings by audio or video. If recordings of an open meeting are made, they are considered public records under the Brown Act and the Public Records Act. Government Code Section 54953.5(b) in the Brown Act provides:

Any audio or video recording of an open and public meeting made for whatever purpose by or at the direction of the local agency shall be subject to inspection pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), but, notwithstanding Section 34090, may be erased or destroyed 30 days after the recording. Any inspection of an audio or video recording shall be provided without charge on equipment made available by the local agency.

Closed session meetings are confidential, unless the Board grants specific authorization for public release, under Government Code Section 54963 of the Brown Act. Accordingly, closed session meetings will not be subject to public broadcasting or archiving if the OOC and the Boards determines to implement such a proposal.

DISCUSSION

Evaluation Process

To find the best solution that would streamline the manual Board document process, improve boardroom technology, and enhance transparency for all stakeholders, LACERA issued a Request for Information ("RFI") in April 2021 for an agenda management, recordings, online archives, and public interface solution.

The evaluation team was spearheaded by the Executive Board Assistants and included members from Executive, Communications, Legal, and Systems Divisions. The evaluation team received responses from Diligent iCompass, eSCRIBE, Granicus, Hyland, PrimeGov, and Provox and staff were provided a demonstration by each vendor. The team then rated each vendor based on criteria which included but were not limited to product tools, features, capabilities, flexibility in customization, integration, ease of use, implementation process, and customer service support. Based on initial review of the RFI responses, price proposals were requested from Granicus, iCompass, and PrimeGov. The team then narrowed the original list to the top two providers, PrimeGov and Granicus, and proceeded with client references. In addition, staff also reviewed the current application, Nasdaq Boardvantage, currently used for distributing Board and Committee materials electronically. The evaluation team concluded that the current solution does not address all of LACERA's identified needs.

Therefore, after reviewing the references and further discussions with the evaluation team, staff recommends proceeding with PrimeGov due its focus on catering its services to government entities in a single platform solution, flexible configurability, and its ease of use.

Prime Government Solutions, Inc., (PrimeGov)

PrimeGov offers a cloud-based solution and has been designed with mobile-first technology allowing users to access the system from any device that has a web browser. PrimeGov facilitates staff's processes from beginning to end utilizing one application and provides flexibility in process configurations. The PrimeGov solution also provides tools and resources for all stakeholders including Trustees, members, the public, and staff. It enhances public engagement by providing the members of the public with features such as subscribing for meeting notices and updates, livestreaming, facilitating public records requests, requests to speak during a meeting, and streamlining the meeting management processes such as roll call, motions, and voting. PrimeGov provides a solution that will allow for the management of LACERA's Board and Committee meetings to be completed more efficiently and assist in the accuracy of Board votes and actions, recording minutes, and improved public access, including posting of agendas, livestreaming of meetings, public comment, and archiving of recordings so they are available on lacera.com.

In March 2021, PrimeGov and Rock Solid Technology joined forces with the primary goal of enhancing the future of civic engagement and digital transformation of local government. This merger has provided an opportunity to provide new capabilities to facilitate the legislative management process including, agenda automation, committee management, and virtual meetings. Together, both companies support over 180 local government agencies. For more information on the merger, the press release is attached for reference (Attachment C). The references did not state that there was any change in quality of service after the merger.

PrimeGov's RFI response is attached (Attachment D). The RFI and the process mentioned above that led to the recommendation made in this memo took a conservative approach under LACERA's Policy for Purchasing Goods and Services ("Procurement

Policy”). A full RFI procurement process, including cost proposals from the top three companies as noted above, was conducted under Section 13.2.1.C of the policy, which requires three proposals and due diligence. The total value of the contract (three-year term, with a first-year cost of \$37,045 with a 5% increase in years 2 (or \$38,897.25) and 3, plus \$8,190.20 in one-time costs) is less than \$150,000, and therefore it is within the CEO’s authority. However, the contract is brought to the OOC and Board for recommendation and approval because of its organizational significance, including Board impact.

PrimeGov offers the following features and meeting tools:

- Secure Annotation Features: Highlighting, drawing, text/comment box, post it capability that can only be viewed by the user.
- Document Library Capability for Policies.
- Virtual meeting support via Zoom integrations.
- Allow constituents to sign up to speak on meeting items during Public Comment.
- Capture roll call, minutes, votes, and actions quickly and easily.
- Manage speaker lists, facilitate public comments, and automatically time speakers.
- Live video streaming with timestamps to produce an indexed video recording.
- Public meeting display to share active item, motion, vote, and speaker information.
- Advanced search parameters of meeting materials for the public and Trustees.

The following provides additional product details that are included in the PrimeGov solution being recommended:

- Agenda Automation
 - Ability to create agendas, packets, and summaries; design workflow steps for agenda/item collaboration; track agenda items throughout the review process; and search tools for archived meeting materials. This automation will streamline the agenda creation process, saving valuable time during the creation and approval of agenda process.
- Committee Manager
 - Track trustee appointments, recordkeeping, terms, bios and misc. information.
- Community Engagement
 - Ability to allow the public to subscribe to meeting updates, livestreaming of meetings, and access meeting recordings and other public records. In addition, the ability for the public to provide oral and/or written public comments is made available.
- Meeting Management
 - Ability to distribute meeting material and capture timestamps, roll call, minutes, motions, votes, and actions during the meeting for meeting participants to see. Board material distribution to trustees will include full

secured annotation features for the user, such as highlighting, drawing, sticky notes, and text box options for typed comments. This

- The PrimeGov portal for Board materials is web-based and can be accessed through a desktop, laptop, and/or tablet.
- Livestreaming and Archiving
 - Ability to provide livestream, recordings, and archive of historical recordings on lacera.com, agendas, and meeting materials. Recordings include high-definition and Americans with Disabilities Act (“ADA”) compliant videos for the public. Features include closed captioning and language preferences.

In a recent Board survey, Trustees expressed tools and features they would like in reviewing agenda material, which included annotation features, item navigation, policy library, archiving of meeting materials, Zoom integration and search options. These features are provided within the PrimeGov application.

Security

Prime Government Solutions (“PrimeGov”), is a reputable technology company that provides public meeting recording and archiving services. Their solutions utilize the security settings and controls of the Office365 and Zoom platforms and will facilitate monitoring and security standards currently deployed at LACERA. In addition, PrimeGov service operations infrastructure and applications run in Microsoft Azure. The Azure services consumed are certified to SOC2, FedRamp High, ISO 27001, and many other relevant standards. More broadly, PrimeGov’s security policy is based on NIST Cyber Security Framework.

The Information Security Division is comfortable in moving forward with PrimeGov and have provided their Vendor Risk Opinion Memo (Attachment E).

References

References obtained were from LA City, City of Lancaster and Ventura County. References including individuals involved in the agenda meeting management and IT support. Each reference recommended the use of PrimeGov services and shared positive feedback in terms of their customer service during the implementation process and in meeting support, flexibility of application templates and workflow, and overall experience in using PrimeGov, including time periods after the Rock Solid merger.

Proposed Action Plan

LACERA is currently under contract with Nasdaq BoardVantage until the end of 2022, and the plan is to use BoardVantage until we fully transition to PrimeGov. Therefore, staff proposes the following action plan should this recommendation be approved by the OOC and the Board.

February 2022: OOC provides input and feedback and recommends the proposed solution and recording retention to the Board for approval.

March 2022: Board approves OOC recommendation/s, and LACERA executes the contract with PrimeGov.

April – August 2022:

- Begin implementation process with the new vendor, which includes, but is not limited to, transitioning manual processes, creating internal procedures and workflows, the configuration of vendor application templates, staff training, and conducting mock meetings.
- The implementation process will include trustee involvement for input in viewing Board/Committee materials and in meeting features.
- Provide OOC presentation/s showing the public interface features (i.e., livestreaming, recordings, archived materials, timestamping, ADA features, closed captioning/different languages, etc.) that will be made available on lacera.com.

July - September 2022:

- Provide training to Trustees in utilizing the application.
- Archive any notes/annotations saved by Trustees in the current application.

October 2022: Complete transition to the new vendor.

Archiving/Recording

Board and Committee open session meetings are currently being livestreamed and recorded. The meetings can be viewed by members of the public via the livestream on lacera.com when the meeting is occurring but cannot be viewed once the meeting has ended. In addition, recordings are internally saved for staff reference, but not made available to the public on lacera.com. To obtain a recording, a member of the public must submit a Public Records Act request.

In considering whether LACERA should provide public online access to meetings, through an online archive, the OOC may consider that such access will:

- Increase transparency;
- Reduce public requests for recordings; and
- Provide another form of communication with members and other stakeholders and insight into the Boards' decision-making.

Staff recommends that audio/visual recordings be retained indefinitely and be provided on lacera.com. Through PrimeGov, recording migration of up to two years is included at no cost. Staff recommends archiving recordings on lacera.com from calendar year 2021 and continued indefinitely.

Should the Committee recommend and be approved by the Board to retain audio/visual recordings indefinitely, staff will revise the Records & Information Management (RIM)

Policy and present for approval. The retention schedule is maintained by the Administrative Services Division. Unlike the RIM Policy, it has not in the past been presented for Board approval. Staff proposes to change the current 30-day retention period in the schedule for any video or audio Board recordings to indefinite as noted above.

As mentioned in the Proposed Action Plan, staff plans on presenting the public interface features (i.e., livestreaming, recordings, archived materials, timestamping, ADA features, closed captioning/different languages, etc.) that will be made available on lacera.com. Furthermore, information on how staff plans to maintain control of the video content from being altered will also be addressed at future OOC meetings.

Budget

The first-year cost for the PrimeGov solution will be \$45,235.20, including the first-year fee of \$37,045, plus one-time start-up charges of \$8,190.20 for hardware and professional services and \$38,897.25 (or a 5% increase over the first-year annual fee) for second- and third-year annual fees. These costs assume the use of YouTube as the video hosting platform. Should LACERA determine that a different web hosting platform is required, additional fees of up to \$30,000 per year should be anticipated, which would bring the contract cost over \$150,000 and therefore require Board approval. Sufficient funds exist in the FY 2021-22 Budget for first-year costs. If approved, future year costs will be included in the proposed budgets for the Board's approval. Of note, use of the PrimeGov solution, which would replace BoardVantage, without the use of a supplemental web hosting platform, would result in annual savings of approximately \$23,000 over the current \$68,600 annual cost of BoardVantage.

CONCLUSION

Staff recommends PrimeGov as the solution to streamline internal processes, agenda packet distribution, in meeting features, and the option to enhance public transparency of archived recordings and materials. This solution will provide a streamlined, modern, and sustainable system to support meeting operations and accommodate in-person, remote, or hybrid meetings in the future.

IT IS THEREFORE RECOMMENDED THAT THE COMMITTEE:

- 1) Recommend to the Board of Retirement with staff's recommended solution, Prime Government Solutions, Inc., for agenda management, recordings, online archives, and public interface for both Boards and all Committees; and
- 2) Recommend archiving the recordings indefinitely and return for approval the revised Records & Information Management (RIM) Policy and retention schedule.

Operations Oversight Committee

January 13, 2022

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Attachments

- A- JOGC February 24, 2021 Memo
- B- JOGC April 22, 2021 Memo (Excluding Attachments)
- C- PrimeGov & Rock Solid Technology Merger Press Release
- D- RFI PrimeGov Proposal
- E- Vendor Risk Opinion Memo (Confidential)

cc:

Luis A. Lugo

JJ Popowich

Laura Guglielmo

Kathy Delino

Cynthia Martinez

Steven P. Rice

Bob Schlotfelt

Attachment A
February 24, 2021 JOGC Memo

February 17, 2021

TO: Each Trustee,
Joint Organizational Governance Committee

FROM: Kathy Delino ^{KD}
Interim Systems Division Manager

FOR: February 24, 2021 Joint Organizational Governance Committee Meeting

SUBJECT: Board & Committee Meeting Recordings & Online Archives

RECOMMENDATION

That the Joint Organizational Governance Committee (JOGC) discuss and provide input on Board and Committee recordings and online archives.

BACKGROUND

Prior to Covid-19, Board and Committee meetings were held onsite in the LACERA Boardroom for Trustees, staff, members, and the public. The meeting recordings were recorded on DVDs and were available to the public through a PRA (Public Request Act) request.

In March 2020, due to the Covid-19 pandemic and in adherence to [Executive Order N-29-20](#), Board and Committee meetings were held virtually in order to adhere to the social distancing guidelines set forth by local, state, and federal agencies. This allowed the Boards and staff to allow the public, staff, members, and consultants to participate safely. With meetings being held virtually, meeting recordings are now being saved electronically.

DISCUSSION

Staff would like the Committee's input and direction on a solution/s for meeting recordings and online archives. Staff is prepared to provide the Boards and PRA requests with immediate access, via SharePoint, to the open session recordings of the Board & Committees in the interim. A copy of a screenshot showing the SharePoint portal is attached. Staff can prepare a permanent solution, which would provide recording archives on lacera.com to be available to the public when the new site is launched later this year.

Staff looks forward to the Committee's comments and input at the JOGC meeting on February 24, 2021.

SharePoint


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News
+ Add



Board & Committee Recordings

 Nick Abouchian January 25

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Audit Committee

Name	Modified	Modified By	+ Add column
2020 - 10 October 21 AUD.mp4	February 9	Bonnie Nolley	
2020- 08 August 19 AUD.mp4	February 4	Bonnie Nolley	
2020-12 December 11 AUD.mp4	February 4	Bonnie Nolley	

Attachment B
April 22, 2021 JOGC Memo
(Excluding Attachments)

April 13, 2021

TO: Each Trustee,
Joint Organizational Governance Committee

FROM: Kathy Delino 
Interim Systems Division Manager

Bob Schlotfeldt 
Interim Chief Information Security Officer

FOR: April 22, 2021 Joint Organizational Governance Committee Meeting

SUBJECT: Policy and Action Plan - Board & Committee Recordings, Online Archives,
and Public Interface

RECOMMENDATION

That the Joint Organizational Governance Committee (JOGC) discuss and provide input regarding the policy and action plan for Board/Committee recordings, online archives, and the public interface.

DISCUSSION

At the February 24, 2021 JOGC, the Committee voted to have staff return with a policy and action plan for Board/Committee recordings, online archives, and the public interface. The Management of Audio and Visual Recordings Policy (the "Policy") (Attachment A) and the Board/Committee Meeting Recording Archival and Publication Action Plan ("Action Plan") (Attachment B) are attached for your review. Staff looks forward to the Committee's feedback on both attachments.

At the February meeting, the JOGC provided comments regarding preferences for meeting recordings, recording archives, and the public interface to access both. The suggestions included but were not limited to the impact of [Assembly Bill 339](#), recording/archival of audio and video content, and agenda item timestamping for recordings. These comments are incorporated into both the draft Policy and draft Action Plan.

The Action Plan includes tasks to be completed as well as a timeline for completion. The important milestones in the plan include providing access to Board and Committee meeting recordings on lacera.com, as well as implementing a modern, sustainable system to record, stream, and archive meetings. To that end, staff has issued a Request for Information (RFI) to gather information on possible solutions for a modern, sustainable

Re: Policy and Action Plan - Board & Committee Recordings, Online Archives, and
Public Interface
April 13, 2021
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system to support meeting operations. RFI responses will be received mid-May and staff will come back to the JOGC in July to provide a demonstration of the recording, streaming, archival, and agenda timestamping features suggested by the Committee.

CONCLUSION

Staff recommends that the JOGC approve the attached Action Plan and recommend the Management of Audio and Visual Recordings Policy for approval by the Board of Retirement and Board of Investments.

Attachments

c: Santos H. Kreimann
Johanna Fontenot

Attachment C
PrimeGov & Rock Solid
Technologies Merger Press Release

[Product](#)[Customers](#)[Why PrimeGov](#)[Resources](#)[About Us](#)[Request a Demo](#)

ROCK SOLID TECHNOLOGY ACQUIRES PRIMEGOV

Tom Spengler Named CEO

San Juan, Puerto Rico and Scottsdale, AZ – March 25, 2021 – [Rock Solid Technology](#), a leading SaaS software company providing citizen engagement solutions that help local government and their communities work as one, today announced the acquisition of PrimeGov, a leading provider of virtual public meeting participation and agenda management solutions for local government. The combined company delivers solutions to over 180 local government agencies including Los Angeles, Fremont, Las Vegas, San Antonio, Columbus, and Baltimore County. Tom Spengler, PrimeGov's Executive Chairman will become the CEO of the combined organization.

PrimeGov delivers a powerful suite of legislative management solutions designed to unlock the potential of municipal governments and deliver both operational efficiency and transparency while fostering civic engagement. The acquisition brings together two companies with decades of dedicated local government experience, and provides exciting new capabilities designed to facilitate every step of the legislative management process including agenda management, committee management, and virtual council meetings through video streaming. These capabilities will allow customers to leverage a purpose-built citizen engagement platform that integrates seamlessly into agency operations to engage with their constituents.

"PrimeGov has played an important role in helping local governments with their public decision-making processes," said Rick Brown, Chairman of Rock Solid. "The natural combination of our two companies creates a solution the market is demanding – a deeply integrated citizen engagement platform that unifies the power of public meeting participation and agenda management with transparent, and actionable data from cross city departments."

Tom Spengler brings over 20 years of dedicated local government technology experience to Rock Solid. As the former CEO and co-founder of Granicus, Tom helped create the market leading legislative management solution used by more than 4,500 government agencies and 250 million citizens. Tom is passionate about improving government and their communities through technology and sits on the board of several technology companies including Propylon and Ascendify.

"We're excited to be joining together with Rock Solid today. We believe public meetings are core to a functioning democracy, and local staff and elected officials need better tools to maximize outcomes for the communities they serve," said Tom Spengler, Executive Chairman of PrimeGov. "The combination of Rock Solid and PrimeGov will be uniquely positioned to integrate resident sentiment and real operational data into the public meeting decision-making process."

About Rock Solid Technologies, Inc.

Founded in 1994, with offices in San Juan, Puerto Rico and Austin, TX, Rock Solid is a SaaS service provider that helps local governments and their citizens work as one. As a trusted government partner for 25+ years, Rock Solid uses technology to create products that streamline workflows and resource allocation for diverse civic and municipal entities worldwide. From all-in-one platforms to custom software solutions, Rock Solid's tools help local governments operate more efficiently and improve civic engagement.

Rock Solid's OneView CRM was recently selected as the civic engagement platform of choice in Columbus, OH, San Antonio, TX, Knoxville, TN, and Gainesville, FL. Additionally, the municipalities of Ciales, Santa Isabel and Adjuntas join the list of more than forty cities in Puerto Rico that use Rock Solid's OneView as their principal platform to engage residents and unify their systems.

To learn more, visit www.rocksolid.com.

About PrimeGov

PrimeGov empowers local governments to optimize and digitize their agenda, meeting, and committee management processes with a single, end-to-end, cloud-based solution. With PrimeGov, local governments can seamlessly host hybrid meetings with remote voting capabilities—saving time, increasing efficiency, and promoting transparency to their constituents.

PrimeGov was recently recognized in GovTech 100 annual list for 2021 by Government Technology as a company making a difference for local governments. PrimeGov is proud to partner with top cities and counties such as Los Angeles, Las Vegas, LADWP, San Antonio, and Oklahoma City on their agenda, meeting, and committee management processes.

To learn more, visit www.primegov.com.

PRESS CONTACT

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About PrimeGov

PrimeGov empowers local governments to optimize and digitize their agenda and meeting management processes with a single end-to-end cloud-based solution.

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PrimeGov RFI Proposal



**Los Angeles County Employees Retirement Association
(LACERA)**

**RFI: Agenda Management, Livestream, Recording, and
Archiving**

May 15, 2021

LACERA
PO Box 7060
Pasadena, CA 91109-7060

Josh Hurni, Director of Sales
PrimeGov
4250 Drinkwater Blvd, Ste. 300
Scottsdale, AZ 85251



Prime Government Solutions | 4250 Drinkwater Blvd. Suite 300 | Scottsdale AZ 85251 | 1-833-634-6349

May 14, 2021

Letter of Introduction

Dear LACERA,

Thank you for the opportunity to help you upgrade to a cohesive board management system that manages your public meeting processes with the latest, easy-to-use technology. Prime Government Solutions, Inc. ("PrimeGov") is familiar with LACERA's needs in part because we have selectively recruited the most experienced team members in the industry. In fact, we started PrimeGov because we had developed strong relationships with government staff over the years and we were disheartened by the steady decline in the quality of service and the lack of technical innovation by the big software providers in this space.

PrimeGov is different because our only focus is managing the public meeting process. We do not build websites or other non-legislative products. We live to make clerks' lives easier. It's just what we do. Having that focus means that every day our team is in the field with our clients to see and hear for ourselves exactly where the legislative process needs automation. Then, because our development team is not distracted by other products, we quickly build solutions to meet those challenges. A recent example is the ability to send property notices via postcard without ever leaving our system.

Here are some of the many ways we stand above the rest:

- Every member of our executive team and board has **years of experience** working with clerks. Unlike document management companies or private equity firms, we understand the pressure staff is under during a meeting and the need for us to respond quickly, especially when the council and the public are waiting.
- We build our solution on **widely used and supported web applications**. Technology, particularly video, has improved dramatically over the last five years; it no longer makes sense to recreate a video player or storage when Google and Microsoft have spent billions developing and maintaining their products. Our role as a company isn't to recreate the wheel but to adapt software to meet the specific needs of clerks. We offer seamless, superior integrations with popular, easy-to-use products such as Laserfiche, YouTube, Word, Zoom, Chrome, and more.
- Our dedication to delivering the **best solutions specific to local government** frees up our team to develop software relevant to clerks and members of the public looking for



information. This feature, along with our new Quick Voting solution, is why the City of Los Angeles contracted with us to replace four of their existing systems with our one.

- PrimeGov's software is **100% cloud-based** and can be used from any location without a VPN (Virtual Private Network) setup. There are no client-side installations, stream-lining deployment and implementation. PrimeGov's completely virtual environment ensures business continuity even when faced with the toughest externalities, such as a natural disaster or a public health crisis.
- PrimeGov's agenda management system allows for the **instant generation of agenda packets**. Compiling and converting staff reports and attachments into a complete agenda packet can take hours, but with PrimeGov, this important function happens immediately.
- The system does an **automatic check** to ensure that the files of supporting documents function prior to compiling, and if they are corrupt, it identifies the broken file for easy replacement, saving you hours of time otherwise spent searching for the specific file.
- PrimeGov provides **powerful and flexible workflows** that can be set up to automate a number of tasks such as appointing citizens to boards or sending emails to appointees. Furthermore, staff can create a peer review group as part of a workflow that allows reviewing or editing permissions for staff members without disrupting the standard approval process.
- PrimeGov's **agenda solution is directly tied to our committee management tool** and allows for direct item approval through the entire agenda process. This means your workflow and forms controls can be based on specific committee processes. In addition, items can be pushed through the approval process by automation-based approval actions.

We are professionally and personally committed to making LACERA's deployment a success. Our implementation plan, flexible training options, and understanding of your requirements ensure that your system is widely adopted. Once deployment is complete, we'll be there for you with our experienced support staff and stable, modern technology.

We look forward to providing an in-depth demonstration so you can see for yourself how easy PrimeGov is to use and why our experience, technology, and focus on the legislative process make us uniquely capable of meeting LACERA's requirements.

Sincerely,



Tom Spengler, CEO



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Section 1: Administrative Information

PrimeGov works solely with local governments clients, bringing our expertise, understanding, and consultative approach to our vendor/client partnerships. Launched in 2015, PrimeGov has partnered with nearly fifty California customers, including the City of Los Angeles, and several counties in southern California, including Orange and Ventura Counties.

- 1. Name, mailing address, overnight delivery address (if different from mailing address), phone number, fax number, and e-mail of designated point of contact.**

PrimeGov is based at 4250 Drinkwater Blvd., Suite 300, Scottsdale, AZ 85251. Our website is www.primegov.com and our phone number is 1-833-634-6349. We do not have a fax number at this time.

LACERA's point of contact is Joshua Hurni, who can be reached at joshua.hurni@primegov.com and (510) 519-9000.

- 2. Business type (large business, small business, small disadvantaged business, woman-owned small business, very small business, veteran-owned small business, service-disabled veteran-owned small business), and commitment to diversity.**

PrimeGov is a small business comprised of 40 employees. We are a corporation that is committed to diversity in our hiring, employee retention, and promotion practices. PrimeGov is committed to the philosophy of equal opportunity employment and does not discriminate against any employee or applicant on the basis of race, color, ancestry, age, religion, sex, sexual orientation, gender identity or expression, national origin, disability, medical condition, marital status, veteran status, or other non-job-related criteria.

PrimeGov is working to build a company that future generations can be proud of. A company where everyone is welcome. A company where everyone can be themselves and where we are committed to diversity, equity, inclusion, and action.



Section 2: Requested Information

1. Agenda Management: Development/Compilation/Workflow/Amendment

Please see response to #2 below for a full description of our Agenda Automation solution.

2. Paperless Agenda Software

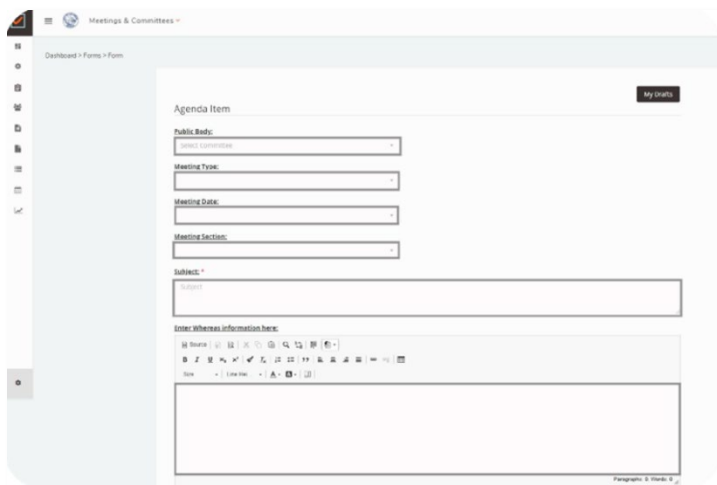
2.1. Annotation/Notes features

We provide full annotation functionality such as highlighting, drawing and sticky note functionality both in our pre meeting process and for board members and staff on the published agenda. We also provide a separate note feature should people decide to take notes in a text box rather than on the agenda item itself.

2.2. IOS Applications

With PrimeGov, you can manage the entire agenda process--from submitting an agenda item for a meeting to ensuring that the item has all the necessary supporting materials to be heard. Agenda items can have pertinent item information tracked, such as: sponsor, background, speaker, and recommendations. All custom fields can be tracked for reporting purposes. Agenda items can be moved or copied to another

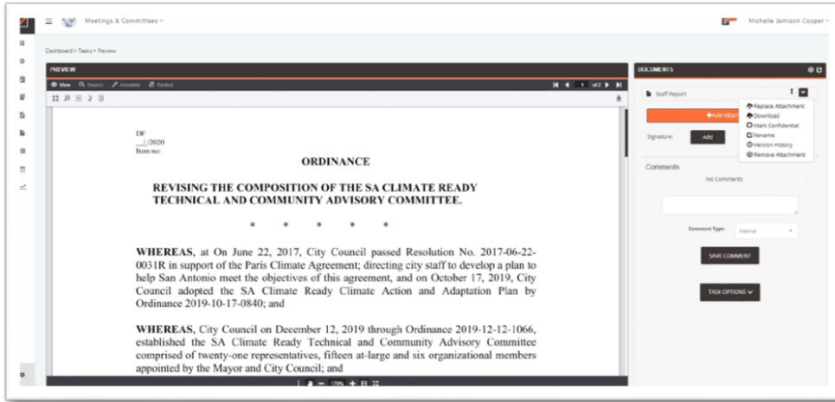
meeting with a full legislative history available. As items are moved, copied or arranged within the meetings, the numbering and formatting of the item is automatically adjusted. This makes last-minute changes simple to handle.



As part of Agenda Automation, PrimeGov

includes electronic forms and our Workflow module. Using this automation, the Client

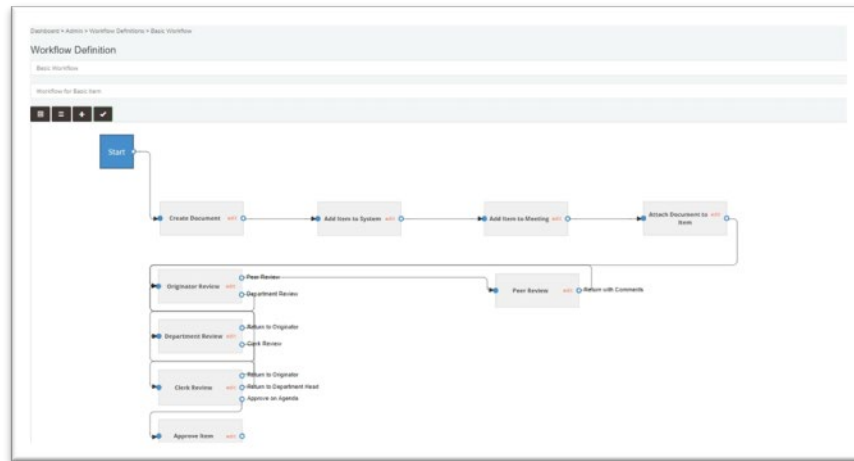
can add an agenda item and send it through an approval process. This automation provides an efficient and trackable way of making sure that an item is properly reviewed and ready to be presented at a meeting.



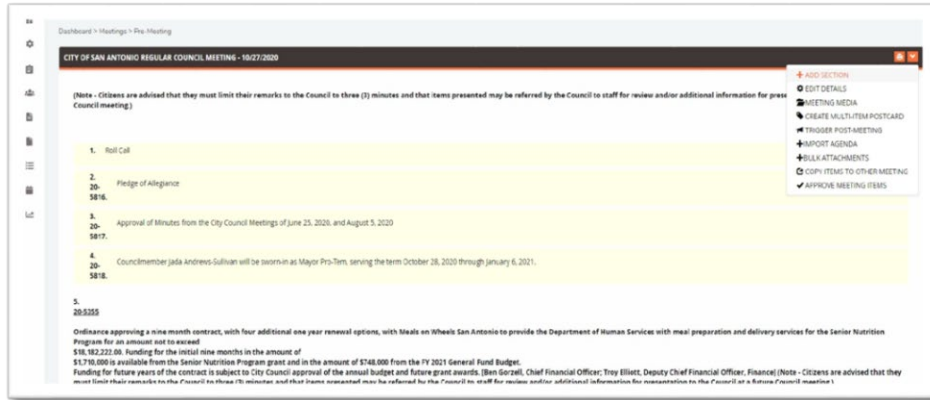
There is no limit to the number of agenda templates that can be created in the solution. Multiple templates can even be created for individual meeting types. For example, there could be a regular meeting and a

closed session meeting for the same body. The Client has complete control of the templates, and how they are formatted.

Documents that are added to an item either directly or through workflow can be in any format and will have OCR performed on them so they can be searched easily. They will also be converted to PDF. There are no proprietary file formats used in the solution.



Once an agenda and all its supporting materials have been added to the system the Client can compile them into a packet with the click of a button. That packet as well as the agenda can be published to the Client website with another click of a button.

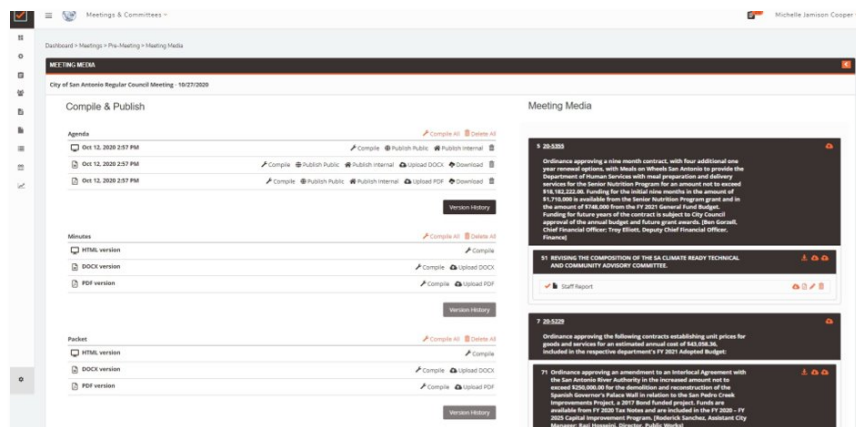


Key Module: Workflow

The PrimeGov Workflow module allows for the automation of virtually any business process. This means that not only can it be used to track and manage the submission of agenda items, but it can also be configured to automate the processes surrounding meeting such as: scheduling, notifications, agenda review, agenda distribution, citizen input, meeting actions, and staff follow up after the meeting.

Features include:

- Automatic initiation of workflow when an action request is submitted electronically
- Easy document routing for review and approval
- Automatic notification via email or workflow queue
- Parallel work process
- User friendly administration
- Unlimited workflows can be created
- Reporting
- Real-time monitoring of flows to show where action requests are in the process



- Deadlines can be set for tasks to be completed

Key Module: Meeting Viewer and Annotations

The PrimeGov Meeting Viewer is provided with the solution. Meeting Viewer allows users to view different document types without having to have the native application on their device. It also allows users to annotate their copy of the agenda and supporting materials. Some of the annotations included are notes, highlighting, redaction, signatures, and more. When a user annotates their copy of the agenda, they will have their annotations on the agenda when they log in for the meeting. Because the PrimeGov solution is 100% web-based and has been designed with mobile-first technology, users can access the system from any device that has a web browser.

3. Posting of Meeting Materials

Our single legislative management solution makes it easy to post meeting materials in both an HTML and PDF format. The system automatically checks supporting documents to make sure the files function and provides clear message if they are corrupt. This makes it easy to replace the bad files directly from the pre posting page rather than having to go back to the item submitter and have them update the file.

Once the agenda is posted, we provide advanced search functionality to make it easy for members of the public to find their information, including full text search and search parameters such as meeting date, body, etc.

4. Electronic/Live Voting

The Meeting Management interface called Meeting Viewer also provides a means for the members to record their vote during a meeting and offers the ability to communicate the voting process of agenda items to the public. This solution allows voting members and support personnel the opportunity to electronically view items and supporting documentation on the agenda and to electronically cast votes on motions. The Voting solution provides an automated and effective approach to recording the events of the meeting to make it easy for the supporting personnel to follow along and manage the meeting as it is in session.

5. Public Comment Features (call-in, written comments)

Improving community engagement options is core to the PrimeGov mission. We believe technology can improve communications between elected officials and their local community. The Community Engagement module includes the following:

Key Feature: Community Comment

This software creates a public portal for citizens to comment on individual agenda items. The comments are text-based and a character limit can be established to replicate the time limit used for public speakers when meetings are in person. All comments will be aggregated into a simple report and provided to elected officials. Comments are not publicly viable until they are published by the agency during or after the meeting.

Key Feature: Community Request-to-Speak

The Request to Speak functionality allows community members to sign up to request to speak for any agenda item. The software will manage the sign-up and provide an ordered list of public speakers that can be called on during the meeting.

6. Livestream (with agenda timestamp) for Audio and Video

The Video/Audio recording is integrated into the live meeting module and allows the video to be easily started, items to be timestamped, and video to be embedded into the public portal and legislative history. All of this is from within the same interface used for running the meeting. The live stream and on-demand recordings are managed through YouTube's powerful distribution platform. One of the advantages to using YouTube is that they provide a free audio-translation component that can be used for closed captions. The Client will need an encoder to stream, but all existing cameras, microphones, etc. will work.

7. Recording/Archive for Audio and Video

7.1. Quality (i.e., HD, others)

We provide full 1080 multi-bite rate HD

7.2. Timestamp

With a simple double click, you can timestamp the video. Our data migration from your current provider will include timestamps.

7.3. Translation Services

We have a number of clients who use our product in conjunction with a translation service. We do not provide translation services ourselves.

7.4. Duration of Archive

Data is hosted until you delete it. We do not delete data.

8. Closed Captioning Features

Clients may choose to take advantage of PrimeGov's cloud-based Live Closed Captioning offering to enhance their meeting videos. Automated closed captioning is available without the purchase of any additional equipment and increases accessibility and transparency for constituents.

The live stream and on-demand recordings are managed through YouTube's powerful distribution platform. One of the advantages to using YouTube is that they provide a free audio-translation component that can be used for closed captions.

9. Management of Closed Session

9.1. Entering and leaving closed session

Typically, people would turn off the cameras and then start a separate closed session meeting. Our granular permissions would allow board members to see confidential information during the closed session meeting. When closed session is over the closed session meeting would be ended in the system and then people would reenter the regular meeting.

9.2. Separate recording of closed sessions when required

In general, closes session meetings are not recorded however we could set it up so that the closed session meeting is recorded locally on the encoder and not live streamed to the public.

10. Company Profile

10.1. Business & Ownership Structure (Public, Private, LLC etc.)

PrimeGov is a small, privately owned corporation that is a subsidiary of Rock Solid Technologies.

10.2. Total Annual Revenue

As a small business, PrimeGov does not publicly disclose this information as it would put us at undue risk and exposure to competitors. We can share this information upon contract award.

10.3. HQ and office locations

PrimeGov is located at 4250 Drinkwater Blvd., Suite 300, Scottsdale, AZ 85251.

10.4. Cloud Infrastructure Partner

All of our data is hosted on Microsoft Azure, which is a Tier 4 data center.

10.5. SoCal presence

We have roughly 25 clients in Southern California, including: the City of Los Angeles, LA Department of Water and Power, the Clean Power Alliance, Orange County, Ventura County, and many other cities.

10.6. Competitive distinction and value proposition versus competitors

Prime Government Solutions (“PrimeGov”) was founded in 2014 when several jurisdictions—dissatisfied with their current agenda management software options—began looking for a company committed to the legislative process. The PrimeGov team came together to solve this problem. We are a group of leaders that have been serving municipal clerks for more than 20 years. We are passionate about providing quality products, world-class customer service, and close collaboration with our clients. We are dedicated to unlocking the potential of municipal governments through technology, to promoting transparency to empower communities, and to fostering civic engagement.

Prior to 2014, our team designed and implemented hundreds of legislative management solutions as founders of Granicus, Inc. Over the years, we have worked hard to develop strong relationships with government staff throughout the US and Canada and we were disheartened to see the steady decline in service quality and the lack of legislative focus by the leading software providers. It's because of this decline that our founder started developing the PrimeGov Legislative Management Suite in February 2015. The goal was to utilize the latest technology, strategic partners, and our decades of experience to bring the best possible legislative management product to market. By building our solution on widely used and supported "commercial" web applications and social media, we have been able to rapidly build a single product that can handle the entire legislative process.

Cities and counties all over the country soon took notice and entered into agreements with us. In the last six years, we have gone from one client to more than sixty of all sizes: from the City of Los Angeles to Oklahoma City to Oviedo, Florida. Some have wondered how we are able to handle such high growth and the answer is our experience, our use of non-proprietary technology, and our total focus on the public meeting process. To illustrate our experience, our Head of Engineering is Javier Muniz, co-founder and CTO of Granicus prior to its acquisition by private equity. Our President, Sherif Agib, started in Granicus customer service nearly 20 years ago and worked his way up to VP of Operations before its sales. The point is simple: we understand the legislative process, we understand the technology, and, most importantly, we understand our clients.

11. Technology and Security

11.1.1. Is your solution a private/dedicated or shared/multi-tenant service?

PrimeGov is a multi-tenant service.

11.1.2. Provider and location of Primary server?

The primary server is located in the Western United States.

11.1.3. Provider and location of Secondary server?

The secondary server is located in the Midwest United States.

11.1.4. Do you offer geographic redundancy?

Yes, this is standard functionality.

11.1.5. Does your solution utilize AI for closed captioning and transcriptions?

Yes, our closed captioning is AI-generated. The City of Los Angeles is an example of client using this service.

11.1.6. Does your live stream player have any dependencies?

The only dependency is a camera, internet connection and the use of the AJA HELO encoder.

11.1.7. Does your video player have any dependencies?

We use an unbranded version of YouTube as our video player.

11.1.8. Does your solution provide an API?

The PrimeGov Legislative Management Suite is driven by Restful Web Services. This allows virtually anyone (other software vendors, open data developers) the Client allows to consume the data available in the system. Access is controlled by the Client and the available “datasets” are published by the Client, just like publishing an agenda.

11.1.9. Do you integrate with Active Directory for user management?

We currently support AD via Office 365 SSO

11.1.10. Do you support MFA?

PrimeGov has application-managed authentication and can use SAML 2.0.

11.1.11. Speak of data archiving and how data destruction is assured?

PrimeGov hosts all data in Azure and all connectivity is managed by the Azure infrastructure automatically. Azure guarantees a permanent data failover PrimeGov follows the standard protocols for recovery stated by Azure.

We do not delete your data. Users with the right permissions within your organization could delete data but we do not delete data. Clients can export data for additional storage. PrimeGov offers configurations for encoder local backup for video content as well as a Laserfiche integration for additional data backup. PrimeGov does not regularly provide clients with local stored copies of data. However, this data can be

made available upon request. Downloads of videos can be attained from YouTube using off the shelf tools.

11.1.12. Describe your disaster recovery and business continuity support. SLA guarantees?

PrimeGov hosts all data in Azure and all connectivity is managed by the Azure infrastructure automatically. Azure guarantees a permanent data failover PrimeGov follows the standard protocols for recovery stated by Azure. PrimeGov uses HTTP2 protocol, so all communication between the client and server is secure and encrypted. For our database, backups and other data at rest, everything is on Azure resources that have automatic encryption on all the elements.

11.1.13. Does your company maintain SSAE18 SOC 1 Type 2 and SOC2 certification? Which audit company is used?

These audits occur regularly on Microsoft Azure. More information can be found here: <https://servicetrust.microsoft.com/ViewPage/MSComplianceGuideV3>.

11.1.14. Are you FEDRAMP & SOCS 2 Certified?

We do not currently hold these certifications.

11.1.15. Do you have Government Licensing available?

PrimeGov works solely with government and so we do not have separate government licensing available.

12. Implementation and Support

12.1.1. Describe your implementation approach and methodology. For an implementation, detail the profile of staff roles/resources needed from us to support the project.

At PrimeGov, we take pride in fully understanding your project before it begins. Before project initiation, we will provide the Client with a project plan and, if requested, a Scope of Work (“SOW”) document to support a clear understanding of the project. Although PrimeGov makes every attempt to provide accurate estimates, it is possible that additional Client requirements or details can emerge. If new requirements are discovered or additional products and/or services are required, it may change the estimated cost and timeline provided.

PrimeGov Implementation: Methods and Stages

PrimeGov's implementation methodology framework includes planning and discovery, implementation, and project closure. The discovery period includes comprehensive review and analyses of the Client's business processes for agenda and management. Additional discovery sessions will be held with subject matter experts to map and document workflows, forms, and documents to drive a successful Configuration period and lead into Training, Go Live, and Transition to the Support team for on-going, long-term support.

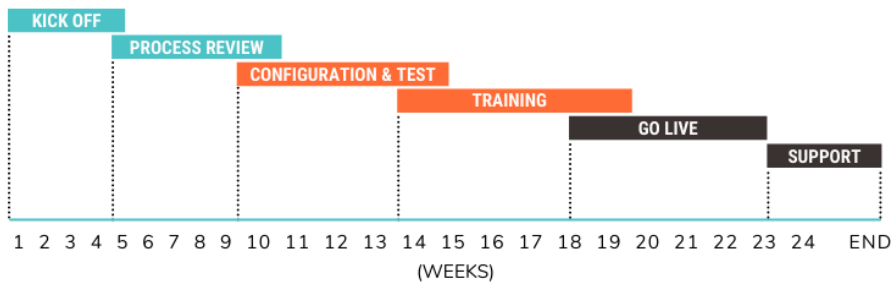


The project will consist of three distinct stages:

1. Planning & Discovery
 - Kick Off
 - Process Review
2. Implementation
 - Configuration & Test
 - Training
3. Project Closure
 - Go Live
 - Transition to Support

Projected Timeline

The estimated project timeline is 24 weeks. The projected timeline can be impacted by changes to the project scope and based on commitments to the general project requirements.



Sample Timeline

The PrimeGov Project Manager will work with the Client team during the Planning and Discovery Phase to identify implementation priorities and may shift the timeline and the timeline duration based on those priorities.

Project Team

PrimeGov’s Project Team includes a dedicated Project Manager, Implementation Consultant, and Technical Lead. Throughout the project, our team’s goal is to ensure a successful, on-time Go Live of the PrimeGov system and long-term successful use. Our team brings industry best practices and product expertise to all sessions to ensure we are meeting your needs and working to simplify and improve processes, workflows, committee management, and meeting management. The PrimeGov Project Manager will be responsible for leading the project to drive dates, deliverables, and completion of the project. The PrimeGov team will partner with the assigned Client Project Manager during the entire project cycle to ensure transparency, accountability, and successful completion of the project.

Client Team

It is important for the Client to create a solid project team for a successful PrimeGov implementation and wide adoption of the solution. Below are the recommended project team roles:

1. **Project Manager:** The Project Manager should be someone who manages the Client team’s performance of project tasks and secures acceptance and approval of deliverables from the Client stakeholders. The Project Manager is responsible for communication, including status reporting, risk management, escalation of issues, and, in general, making sure the project is delivered on schedule and within scope. The Project Manager will have signature authority for the acceptance of deliverables by Client. The Project Manager’s responsibilities will also include, but not be limited to:

- a. Collaboration with PrimeGov resources on the project schedule deliverables;
 - b. Coordination with key stakeholders, representatives, and decision makers;
 - c. Facilitation of timely decision-making and resolution of issues; and
 - d. Coordination of Client resources for decision-making, project management, testing, training, etc.
2. **System Administrator:** The System Administrator should be a person who is closely involved with the legislative process: from the approval process of legislation to the creation of minutes. This person should consider him or herself computer-savvy. The System Administrator is responsible for maintaining the administration tab, managing the configuration of the system, user management, etc. in PrimeGov. The System Administrator’s responsibilities will also include, but not be limited to:
- a. Collaboration with PrimeGov resources on the project schedule deliverables;
 - b. Serving as internal resource to PrimeGov users; and
 - c. Coordination with key stakeholders, representatives, and decision makers.
3. **IT Lead:** The IT Lead works closely with the Project Manager to ensure that PrimeGov is deployed properly and helps solve IT issues that might arise.
4. **Subject Matter Experts:** It is important that Subject Matter Experts—such as the Clerk, department management and staff, and the City Manager—are an integral part of the Project Team to consult on the legislative process of the Council, from the approval process of legislation to the creation of minutes. These people may also be responsible for indexing the recording during the meeting if video/audio recording is involved.
5. **Backup System Administrator:** This Backup System Administrator will serve as support to the System Administrator and preferably has a solid understanding of the legislative process of the Client jurisdiction—from the approval process of legislation to the creation of minutes—as well as a good level of technological skills.

User Testing

PrimeGov’s implementation includes Prime walk-throughs and approvals of the system by the Client for each milestone ("User Acceptance Testing"). Thorough testing is required throughout the project plan prior to designated walk-throughs and approvals ("Sign-Off"). Prior to training and overall project completion, end-to-end

walkthroughs of the system and approval is required during the Implementation Stage.

Testing starts with PrimeGov’s comprehensive testing of each area throughout the configuration. Once testing passes PrimeGov’s standards, the Client and PrimeGov will walk-through the area. After the walk-through, the Client's user groups will spend time—as a group and as individuals—continuing to test all areas of the project prior to moving to the next project milestone. Issues reported are tracked and organized on a templated test case system to ensure transparency and real-time access to updates and improvements. Issues reported will be fixed and feature requests will be documented prior to sign-off.

Prior to Training, extensive end-to-end testing will be completed by the PrimeGov team. We will assign the Client project team members with user acceptance testing for final sign-off and further familiarity with the PrimeGov solution. Training materials are available at this stage to enhance the user testing experience prior to final walk-through and sign-off.

Training Plan

As part of system set-up, PrimeGov offers live training sessions through Zoom. The PrimeGov training package includes up to 15 hours of live training. Our recommended training schedule is a total of 12.5 hours over a four-day period and is organized to train three user groups: System Admins, Clerks/Staff and Council Members.

We also include an additional 2.5 hours that can be used for any additional training needs as determined by the project team. Training hours are valid during the training stage of implementation and expire two weeks after your first live meeting with PrimeGov.

The table in this document summarizes the recommended training schedule including audiences, length, and descriptions for each session. This training package is included in the PrimeGov system set-up fee. In addition to live training, the Client will also have 24/7 access to PDF and video resources in our support knowledgebase.

Live Training Notes

- Trainings are delivered virtually through Zoom and range between 60-120 minutes per session.
- Trainings are recorded for future reference and links to recordings will be provided.

- We recommend users be logged into their PrimeGov accounts to follow along with trainings.
- We recommend System Admins attend all trainings.
- The training schedule outlined below is flexible and can be revised if that is determined to be desirable and/or necessary by the project managers for Client and PrimeGov.

Training Requirements by Audience

- System Admins: 12.5 hours of training sessions. We recommend Admins attend all sessions.
- Clerks/Staff: 8 hours of training sessions.
- Council/Committee Members: One 60-minute training session. Members need their tablet or laptop devices typically used for voting and viewing in documents with them at these trainings.

Training Breakdown

Training Day	Audience(s)	Training Session	Length	Description
1	- System Admins	System Management: Session 1	90 mins	This is the first of two sessions for system administrators only. This training will dive into the Admin area in the PrimeGov system and cover "maintenance" or "system upkeep" responsibilities like updating positions/user access/meeting roles/etc.
		System Management: Session 2	60 mins	This is the second of two sessions for system administrators only. This training will continue from the first admin session.]
2	- Clerks/Staff - System Admins	Building an Agenda: Submitting Items and Managing Task Lists	90 mins	This session will cover all areas of building an agenda before the meeting. We'll start with submitting an agenda item through a form all the way through managing tasks and moving items through the workflow to ultimately make it onto the agenda.
		Finalizing an Agenda and the Live Meeting	90 mins	This session will cover all areas of finalizing and compiling agendas to the public before a meeting. We'll also dive into a live meeting covering your steps right before 'go-live' and during the meeting actions. Come ready to participate and get familiar with the live meeting system.
		Post Meeting Processes	60 mins	This session will cover post-meeting responsibilities. Topics like post-meeting clean up, time stamping videos and compiling Minutes and Packets to publish publicly will all be covered during this session.

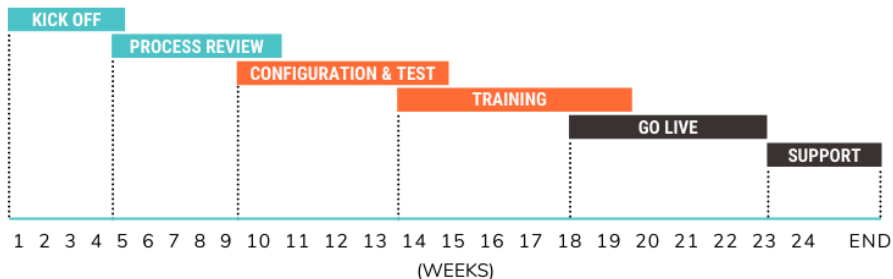
Training Day	Audience	Training Session	Length	Description
3	- Clerks/Staff - System Admins	Mock (short) Live Meeting #1	120 mins	This will be the first of two practice walkthroughs of a live meeting. This is interactive mimicking the behaviors and actions of a meeting like activating items, roll call, minutes and motions, etc. Includes Q/A session.
4	- Council Members <i>*council members attend only 1 session.</i> - System Admins	Council/Committee Member Training (Group #1)	60 mins	This session is for the first group of council and committee members. We will show council members and committee members how to use the PrimeGov system for their meeting participation. We'll cover viewing agenda details along with voting and using Zoom, if you're virtual. Voting devices are required for this session for each member. Each member should attend only one of the council member and committee member trainings. There should be no majority of council members present.
		Council/Committee Member Training (Group #2)	60 mins	This session is for the second group of council and committee members. We will cover the same details as with the first group.
	- Clerks/Staff - System Admins	Mock (short) Live Meeting #2	120 mins	This will be the second of two practice walkthroughs of a live meeting.
Misc.	TBD	TBD	150 mins	This is a 2.5-hour bucket of optional training sessions to be used at the discretion of the project team.

12.1.2. Relate estimates (days) for a typical project.

The estimated project timeline is 24 weeks or approximately 120 business days. The projected timeline can be impacted by changes to the project scope and based on commitments to the general project requirements.

The PrimeGov Project Manager will work with the Client team during the Planning and Discovery Phase to identify implementation priorities and may shift the timeline and the timeline duration based on those priorities.

12.1.3. What is the typical timeline for a Go-Live for a project likes ours?



Sample Timeline

PrimeGov’s implementation methodology framework includes planning and discovery, implementation, and project closure. The discovery period includes comprehensive review and analyses of the Client’s business processes for agenda and management. Additional discovery sessions will be held with subject matter experts to map and document workflows, forms, and documents to drive a successful Configuration period and lead into Training, Go Live, and Transition to the Support team for on-going, long-term support.



The project will consist of three distinct stages:

Planning & Discovery

- Kick Off
- Process Review

Implementation

- Configuration & Test
- Training

Project Closure

- Go Live
- Transition to Support

12.1.4. Rough estimate in weeks/months.

The estimated project timeline is 24 weeks. The PrimeGov Project Manager will work with the Client team during the Planning and Discovery Phase to identify implementation priorities and may shift the timeline and the timeline duration based on those priorities.

12.1.5. What factors typically impact the success of a project?

PrimeGov’s consultative implementation approach ensures project success, wide internal adoption of the PrimeGov solution, and customer satisfaction.

PrimeGov’s Project Team includes a dedicated Project Manager, an Implementation Consultant, and a Technical Lead. Throughout the project, our team’s goal is to ensure a successful, on-time Go Live of the PrimeGov system and long-term successful use. Our team brings industry best practices and product expertise to all sessions to ensure we are meeting your needs and working to simplify and improve processes, workflows, committee management, and meeting management. The PrimeGov Project Manager will be responsible for leading the project to drive dates, deliverables, and completion of the project. The PrimeGov team will partner with the assigned Client Project Manager during the entire project cycle to ensure transparency, accountability, and successful completion of the project.

The projected timeline can be impacted by changes to the project scope and based on commitments to the general project requirements. The PrimeGov Project Manager will work with the Client team during the Planning and Discovery Phase to identify implementation priorities and may shift the timeline and the timeline duration based on those priorities.

12.1.6. Describe your Help Desk Support organization.

PrimeGov insists that its clients have access to the best customer support in the industry. At PrimeGov, we built our support system with alerts to anticipate any service disruption so that our Customer Success team can address any technical items before they become an issue for our customers. In the case where a Customer discovers an issue, or the Service is unavailable, the Customer should notify the PrimeGov Customer Success team through one of the following channels:

- a. Entering a ticket in the help desk system at support.primegov.com.
- b. E-mailing the Customer Success team directly at support@primegov.com.
- c. Calling the Customer Success team at 1-833-634-6349.

12.1.7. Include details of Level 1, Level 2 and escalation procedures.

The Customer will supply their determined priority for each support item logged in accordance with the following Priority Code:

PRIORITY CODE	DESCRIPTION
P1 - Critical	The problem is impacting all Users by the Service being unavailable with no work-around available.

High	The problem is impacting a significant number of Users and is causing a significant business impact, where there is no work-around available.
Moderate	The problem is impacting a small number of Users and is causing a minor business impact or is causing a significant business impact, but there is a workaround available.
Low	Non-service affecting defect. Non-urgent or cosmetic problems, queries, causing inconvenience only.

A Support Call's Priority Code may be escalated by either the Customer or PrimeGov, if it is found to be more business critical than first realized or if the steps to resolve are proving unsatisfactory. In the event of escalation, the following contacts from PrimeGov should be called:

ROLE	NAME	CONTACT EMAIL
Technical Support Lead	Sydney Erickson	sydney.erickson@primegov.com
Technical Support Director	Larry Thorpe	larry.thorpe@primegov.com
President	Sherif Agib	sherif@primegov.com

12.1.8. Describe your support services.

In addition to the Help Desk Support outlined in 12.1.6, PrimeGov provides a searchable online knowledge base for questions and issue resolution that is available at support.primegov.com. The documentation provided includes product updates, technical assistance, and tutorials. The content is regularly updated and expanded and each article contains links to related articles for increased navigation. The knowledge base is available on the same website as the support ticket management system for ease-of-use.

12.1.9. Hours of operation, contact information, ticket submission, response times, etc.

Regular Support Services are provided between 8:00 am and 6:00 pm Mountain Time, Monday through Friday. On-call and emergency support are provided outside

of regular Support Service hours online and by phone. More specifically, the hours are as follows:

- i. **Call for phone support.** Phone support is available twenty-four (24) hours a day, seven (7) days a week by calling 1-833-634-6349.
- ii. **Enter an issue in the help desk system.** This service is available twenty-four (24) hours a day, seven (7) days a week at support.primegov.com.
- iii. **Email an issue to the Customer Success team.** This service is available twenty-four (24) hours a day, seven (7) days a week.

PrimeGov will aim to provide the Customer with a response within a specific time limit based on the agreed Priority Code of the Support Issue. The following Target Response Times are within the hours of coverage:

PRIORITY CODE	DESCRIPTION	TARGET RESPONSE TIME <
P1	Critical	30 minutes
P2	High	1 hour
P3	Moderate	2 hours
P4	Low	40 hours

12.1.10. Describe how you provide support to our suppliers.

Suppliers typically do not have access to the PrimeGov solution. Theoretically you could set up a supplier as a user in our system for example if you wanted to have outside legal review agenda items as part of the approval process. A staff member would need to seek support from our help desk.

13. Cost

13.1.1. What is the cost for closed captioning?

Closed captioning is based on the number of hours of captioning used on an average month with larger volumes receiving a discount. The rate could vary between \$60 per hour for a small volume of captioning or \$20 per hour for a high volume of captioning.

13.1.2. What is the cost for streaming appliance if required?

\$2000 per encoder

13.1.3. What is the cost of fully managed indexing service?

We can partner with either GovTV or Swaggit for this service.

13.1.4. What is the cost of fully remotely managed multi-camera service?

We can partner with either GovTV or Swaggit for this service.

13.1.5. What is the cost of a hybrid Zoom integrated meeting feature?

Integration with Zoom Business is provided at no additional cost to our video streaming clients.

13.1.6. What is the pricing structure for live streams?

Live streaming pricing is based on operating budget.

13.1.7. What is the pricing structure for hosted videos?

Unlimited hosting is included in the cost of the streaming service.

13.1.8. Is there a setup Fee?

Set up is roughly 20% of the annual recurring service fee.

13.1.9. Are there limits to video storage?

PrimeGov provides unlimited data storage for its clients as part of our standard solution offerings.



Section 3: Contracting Terms and Options

PRIMEGOV SERVICE AGREEMENT (“Agreement”)

THIS AGREEMENT is made on the _____ day of _____ 20____
BETWEEN

1. **PRIME GOVERNMENT SOLUTIONS Inc**, having its principal office at 4250 Drinkwater Blvd., Suite 300, Scottsdale, AZ 85251 (the “Supplier”); and
2. _____, whose registered office is at _____ (the “Customer”)
(and at times referred to in this Agreement as a “party” or “parties”)

BACKGROUND

- A. The Supplier has developed and owns the Service (as defined in clause 1) and has granted to the Customer a non-exclusive license to use such Service solely for Customer’s internal operations and in accordance with the terms and conditions of this Agreement. The terms of this Agreement shall also apply to any updates and upgrades subsequently provided by Supplier to Customer for the Service. Supplier may update the functionality of or make modifications to the Service and user interface of the Service from time to time in its sole discretion and shall not be liable to Customer or to any third party for any modification of the Service. Supplier will use commercially reasonable efforts to notify Customer of any material modifications.
- B. The Customer wishes the Supplier to provide certain support services in respect of the Service in accordance with the provisions set out in Schedule 1 of this Agreement (“Support Services”).

OPERATIVE PROVISIONS

1. DEFINITIONS

In this Agreement the following expressions will have the following meanings unless inconsistent context:

- “Affiliate”** means any company or non-corporate entity that controls, is controlled by, or is under common control with a party. An entity shall be regarded as in control of another company or entity if it owns or directly or indirectly controls more than 50 per cent. of the voting rights of the other company or entity.
- “Application Password”** means any encryption keys, certificates, passwords, access codes, user IDs or other login information provided to or used by Customer for the purpose of accessing and using the Service.
- “Business Day”** a day that is not a Saturday, Sunday, or public holiday.
- “Client Environment”** means the Customer hardware and software system containing the minimum specification, which the Customer, as advised by Supplier, is required to have to enable the Customer to connect with the Service.
- “Customer Data”** means data, information or material provided or submitted by Customer or any User to the Supplier in the course of utilizing the Service.
- “Data Controller”** means the party that controls the procedures and purpose of data usage, including collection, modification, storage, and disposal.
- “Data Processor”** means the party that processes the data under the Data Controller’s specific instruction.
- “Effective Date”** means the date of this Agreement signed by the Supplier and the Customer.
- “Intellectual Property Rights”** means all intellectual and industrial property rights of any kind whatsoever, registered or unregistered, including patents, know-how, software, code, intellectual property specifications, design plans, prototypes, drawings, software, software documentation, material, documents, ideas, operations, processes, product information, know how, and the like including mode and procedures of development of source code, registered trademarks, registered designs, utility



models, applications for and rights to apply for any of the foregoing, unregistered design rights, unregistered trademarks, rights to prevent passing off for unfair competition and copyright, database rights, topography rights, and any other rights in any invention, discovery or process, in each case in all countries in the world and together with all renewals and extensions.

“Personal Data”	means data that is processed by the Supplier on behalf of the Customer in relation to this Agreement and may include any information or data derived from Services that alone or together with any other information relates to an identified or identifiable natural person, or data considered to be personal data as defined under applicable privacy law.
“Pricing Schedule”	means Schedule 2 to this Agreement which sets out the prices and payment terms for the Service.
“Professional Services”	means the general consulting, implementation and/or training services to be provided to Customer.
“Purchase Order”	means a purchase order issued by the Customer to the Supplier for the Service.
“Service”	means Supplier’s online software applications purchased by Customer and maintained through Support Services by Supplier including associated offline components and ancillary online or offline services to which Customer is granted access under this Agreement.
“Service Level Commitments”	the service level commitments in respect of the Service to the Customer as more particularly set out in Schedule 1.
“Term”	means the term of this Agreement as specified in clause 3.
“User”	means one (or, if more than one, “Users”) of Customer’s employees, representatives, consultants, contractors or agents and other persons expressly permitted by Customer in connection with Customer’s business affairs who are authorized to use the Service and have been supplied User identifications and passwords by Customer.

2. INTERPRETATION

- Person:** The expression “person” means any individual, firm, body corporate, unincorporated association, or partnership, government, state, or agency of a state or joint venture.
- Heading:** The index and headings to the clauses, the Appendices and Schedules of this Agreement are for convenience only and will not affect its construction or interpretation.
- Statutes:** Any reference to a statute or statutory provision and all regulations and notices made pursuant to it (whether made before or after the date of this Agreement), includes a reference to the same as from time to time amended, modified, extended, re-enacted, consolidated, or replaced provided that amendments, consolidations, modifications, extensions, re-enactments or replacements made after the date of this Agreement will not have substantively changed any provision which is relevant to this Agreement.
- Provisions of the Agreement:** Any reference in this Agreement to a clause, Schedule or Appendix is a reference to a clause, Schedule or Appendix of this Agreement and references in any Schedule or Appendix to paragraphs relate to the paragraphs in that Schedule or Appendix. The Schedules and Appendices form part of this Agreement and will have the same force and effect as if expressly set out in the body of this Agreement and any reference to this Agreement will include the Schedules and Appendices.
- Writing:** Any references to “writing” or “written” includes references to any communication effected by post, facsimile, email or any comparable means.

3. TERM

- This Agreement shall unless terminated in accordance with clause 19, commence on the Effective Date and shall continue for an initial period of XXXX (X) years therefrom (the “Initial Term”).
- The term of this Agreement shall automatically extend for a period of one (1) year (the “Extended Term”) at the end of the Initial Term and at the end of each Extended Term, unless either party gives written notice to the other party not later than three (3) months before the end of the Initial Term or the relevant Extended Term, to terminate this Agreement at the end of the Initial Term or the relevant Extended Term, as the case may.

4. CUSTOMER USE OF THE SERVICE

- Supplier grants Customer a license to access and use the Service during the Term via the internet under and subject to the terms of this Agreement. Supplier reserves the right to make changes and updates to the functionality and/or documentation of the Service from time to time.

5. FEES AND PAYMENT

- Customer agrees to pay fees as set forth in the Pricing Schedule (“Service Fees”).
- The Service Fees are to be paid annually in advance commencing on the Effective Date of this agreement and are non-refundable.

3. The Service Fees shall be billable and payable annually in advance for a twelve (12) month period at a time (a “**Service Year**”) on the anniversary of the Effective Service Date (“**Renewal Date**”) for the first year and for each year thereafter the Service Fees shall be payable annually in advance on each subsequent anniversary of the Renewal Date. One month prior to the expiry of a Service Year (“**Service Year Expiry Date**”) the Service Fees for the Service Year will be invoiced by the Supplier to the Customer in respect of the Service to be provided in the following Service Year. The Customer shall pay the Service Fees on or before the relevant Service Year Expiry Date.
 4. Where any additional Service(s) is acquired by the Customer during the period between one Renewal Date and the next Renewal Date (the “**Installation Year**”) the Service Fees payable shall be calculated pro-rata, from the date of the Purchase Order for the Service(s) in the Installation Year up to the next Renewal Date applicable to Customer’s other Licenses. For all subsequent years thereafter, the Service Fees shall be payable annually in advance on each anniversary of the Renewal Date in accordance with this Agreement.
 5. Where the Supplier performs Professional Services under this Agreement (such as configuration of the Support Service if requested by Customer or migration of Customer Data to the Service), such services shall be invoiced by the Supplier on a time and material basis in accordance with the Supplier’s rates in effect at the time of provision of such services (“**Professional Services Fees**”) unless otherwise agreed in writing between the Parties and will be payable without withholding, deduction or off set of any amounts for any purpose.
 6. The Service Fees and Professional Service Fees do not include local or foreign taxes, duties, fees, and levies imposed from time to time by any government or other authority (“**Taxes**”) and such Taxes, where applicable, will be payable by the Customer on the Service Fees and Professional Services Fees, at the rate applicable at the time of supply of the Service and/or Professional Services.
 7. The Customer shall pay each invoice within thirty (30) days of receipt of this invoice.
 8. Customer agrees to provide Supplier billing and contact information as Supplier may reasonably require. Customer agrees to update this information promptly by means of email to the Supplier and in any case within fifteen (15) days, if there is any change.
- 6. NON-PAYMENT**
1. Customer’s account will be considered delinquent (in arrears) if the Supplier has not received payment in full within thirty (30) days after the due date, and without prejudice to any other rights and remedies of the Supplier;
 2. Interest shall accrue on any payments (or any part thereof) outstanding at a rate of one and a half per cent (1.5%) per month or the highest rate allowed by applicable law, whichever is lower, plus all expenses of collection, including reasonable legal fees and court costs;
 3. Subject to clause 6.4 below, the Supplier may, upon giving ten (10) days written notice but without liability to the Customer, disable/suspend the Customer’s password account and access to all part of the Service until the Supplier shall be under no obligation to provide any call to the Service while an invoice (or any part thereof) remain unpaid;
 4. Supplier may, in its discretion, decide not to exercise its rights under clause 6.2 (interest) and 6.3 (suspension), if Customer is disputing the applicable Service Fees and/or Professional Services Fees reasonably and in good faith and is cooperating diligently to resolve the dispute.
 5. Supplier reserves the right to impose a reconnection fee if the Service is suspended (as a result of Customer’s breach) but subsequently reinstated.
 6. Without recourse to clause 6.1 (delinquency), Supplier reserves the right to terminate this Agreement if Customer’s account falls into arrears thirty (30) days after the due date.
- 7. RESTRICTIONS ON USE OF THE SERVICE**
1. The Customer may not:
 - 7.1.1 make the Service or use the Service for the benefit of anyone else other than the Customer and the Customer’s Users. Customer shall access and use the Service only to the extent of authorizations acquired by the Customer in accordance with this Agreement (for example the quantity specified in the relevant Purchase Order) and Customer agrees that the Customer is solely responsible for use of the Service by any Users who access and/or use the Service. Customer agrees to immediately notify the Supplier if Customer becomes aware of any loss or theft or unauthorized use of Customer’s account credentials.
 - 7.1.2 sublicense, resell or supply the Service for use in or for the benefit of any other organization, entity, business, or enterprise without Supplier’s prior written consent;
 - 7.1.3 submit to the Service any material that is illegal, misleading, defamatory, indecent or obscene, in poor taste, threatening, infringing of any third-party proprietary rights, invasive of personal privacy, or otherwise objectionable (collectively “**Objectionable Matter**”). Customer will be responsible to ensure that its Users do not submit any Objectionable Matter. In addition, the Supplier may, at its option, adopt rules for permitted and appropriate use and may update them from time to time on the Supplier web site and Customer and Customer’s Users will be bound by any such rules. Supplier reserves the right to remove any Customer Data that constitutes Objectionable Matter or violates any Supplier rules regarding appropriate use but is not obligated to do so. Customer and Customer’s Users will comply with all applicable laws regarding Customer Data and use of the Service.
 - 7.1.4 interfere with or disrupt the integrity or attempt to gain unauthorized access to the Service or the Supplier’s intellectual property therein;
 - 7.1.5 copy the Service or any part, feature, function or user interface thereof;
 - 7.1.6 frame or mirror any part of any Service on any other server or wireless or internet-based device outside of the agreed usage in this contract; or

- 7.1.7 access any part of the Service in order to build a competitive product or service or to build a product using similar ideas, features, functions or graphics of the Service;
2. Supplier reserves the right to disable, suspend or terminate this Agreement for cause in case the Customer breaches the provisions of this clause 7.

8. CUSTOMER DATA

1. The Customer shall own all rights, title and interest in and to all of the Customer Data and shall have sole responsibility for the legality, reliability, integrity, accuracy and quality of the Customer Data.
2. Supplier will use best efforts to provide protection using current technological standards to protect Customer Data against unauthorized disclosure or use.
3. In the event of any loss or damage to Customer Data, the Customer's sole and exclusive remedy shall be for the Supplier to use reasonable commercial endeavors to restore the lost or damaged Customer Data from the latest back-up of such Customer Data maintained by the Supplier. The Supplier shall not be responsible for any loss, destruction, alteration, or disclosure of Customer Data caused by any third party (except those third parties sub-contracted by the Supplier to perform services related to Customer Data maintenance and back-up).
4. Subject to the terms and conditions of this Agreement, Customer grants to Supplier a non-exclusive license to use, copy, store, transmit and display Customer Data to the extent reasonably necessary to provide and maintain the Service.

9. CUSTOMER'S OBLIGATIONS

1. The Customer shall:
 - 9.1.1 provide the Supplier with:
 - (i) all necessary co-operation in relation to this Agreement; and
 - (ii) all necessary access to such information as may be required by the Supplier in order to render the Service, including but not limited to Customer Data, security access information and configuration services;
 - 9.1.2 comply with all applicable laws and regulations with respect to its activities under this Agreement;
 - 9.1.3 carry out all other Customer responsibilities set out in this Agreement in a timely and efficient manner. In the event of any delays in the Customer's provision of such assistance as agreed by the parties, the Supplier may adjust any agreed timetable or delivery schedule as reasonably necessary;
 - 9.1.4 ensure that the Users use the Service in accordance with the terms and conditions of this Agreement and shall be responsible for any User's breach of this Agreement;
 - 9.1.5 obtain, maintain and renew any necessary licenses, consents, and permissions necessary for the Supplier, its contractors and agents to perform their obligations under this Agreement, including without limitation the Service;
 - 9.1.6 ensure its networks and systems comply with the relevant specifications provided by the Supplier from time to time;
 - 9.1.7 shall be solely responsible for procuring and managing all Application Passwords as Customer will be the only party with knowledge of its passwords. If Customer makes such Application Passwords available to any third party, Customer shall be liable for all actions taken by such third party in connection with the Service. Customer shall not disclose or make available the Application Password other than to Customer's authorized employees or contractors, shall use all commercially reasonable efforts to prevent unauthorized access to, or use of, the Application Password and the Service and will notify the Supplier promptly of any such unauthorized access or use and make any disclosures related to such unauthorized access or use which may be required under any applicable laws; and
 - 9.1.8 be solely responsible for procuring and maintaining its network connections and telecommunications links from its systems to the Supplier, and all problems, conditions, delays, delivery failures and all other loss or damage arising from or relating to the Customer's network connections or telecommunications links or caused by the internet.

10. PROFESSIONAL SERVICES

1. Customer may retain Supplier to perform Professional Services as the parties may agree upon in writing ("Work Order"). Supplier will use reasonable efforts to carry out the Professional Services stated in the Work Order and to provide any resulting functionality in the Service made available online to Customer and Customer's Users. Except as the parties otherwise agree in a Work Order, Professional Services and the results thereof are made available "AS IS."
2. Unless otherwise agreed in writing either under this Agreement or in the Work Order, Professional Services are provided by Supplier on a time and materials basis. Maintenance and support of code or functionality created by means of Professional Services will likewise be on a Work Order basis under this clause 10 unless otherwise agreed in writing. The code and functionality made or provided under this clause 10 and all proprietary and intellectual property interests therein, will be Supplier's property. Access to the results of Professional Services will be available, subject to any further terms as may be agreed between the parties, as part of the Service during the Term unless otherwise agreed in writing.

11. INTELLECTUAL PROPERTY RIGHTS

1. Customer will not acquire any title copyright or other proprietary rights or Intellectual Property Rights in the Service or to the source code of the Service including in any materials or supporting documentation provided under the Service as provided in this Agreement.
2. The Supplier shall at all times be the sole owner of all title and Intellectual Property Rights emanating from any intellectual property, additional coding, data or patents, any discovery, invention, secret process, development, research or improvement in procedure that may be generated in connection with this Agreement including, but not limited to, any derivative works and Customer-specific enhancements and modifications. All intellectual property and other proprietary rights made, conceived or

developed by the Supplier alone or in connection with the Customer in the course of the supply of the Service shall at all times be and remain the sole and exclusive property of the Supplier along with any improvement of any process, know-how, technology and any other materials in respect of the Service to be provided under this Agreement.

3. The Customer agrees not to remove, modify or use in any way any of Supplier's proprietary marking, including any trademark, product or service names or copyright notice, without the prior written consent of the Supplier.

12. PRIVACY

Supplier agrees to implement its privacy policies in effect from time to time.

13. SERVICE LEVEL WARRANTY

Supplier warrants during the Term of this Agreement that the Service will meet the Service Level Commitment stated in Schedule 1.

14. ADDITIONAL WARRANTIES

Each party represents and warrants that it has the legal power and authority to enter into this Agreement.

15. INDEMNIFICATION

1. Supplier will defend, indemnify, and hold Customer (and its officers, directors, employees and agents) harmless from and against all costs, liabilities, losses, and expenses (including reasonable legal fees) (collectively, "Losses") arising from any third-party claim, suit, action, or proceeding arising from the actual or alleged infringement of any copyright, patent, trademark, or misappropriation of a trade secret by the Service or Supplier Content (other than that due to Customer Data). In case of such a claim, Supplier may, in its discretion, procure a license that will protect Customer against such claim without cost to Customer or replace the Service with a non-infringing Service. THIS CLAUSE 15.1 STATES CUSTOMER'S SOLE AND EXCLUSIVE REMEDIES FOR INFRINGEMENT OR CLAIMS ALLEGING INFRINGEMENT. This indemnity by Supplier shall not apply to the extent that the claim of infringement of Intellectual Property Rights arose as a result of i) any negligent act or omission or willful misconduct of the Customer pursuant to this Agreement; (ii) any misuse or modification of the Service by the Customer, including, but not limited to the Customer's use of the Service in a manner inconsistent with information, directions, specifications, or instructions provided and approved by Supplier; (iii) the Customer's use of the Service in combination or conjunction with any product, service, device, or method not owned, developed, furnished, recommended, or approved by Supplier; (iv) the combination, operation or use of the Service with non-Supplier programs, data, methods or technology if such infringement would have been avoided without the combination, operation or use of the Service with other programs, data, methods or technology, or (v) Customer's breach of any of the provisions of section 7 of this Agreement.
2. Customer will defend, indemnify, and hold Supplier (and its officers, directors, employees and agents) harmless from and against all Losses arising out of or in connection with a claim, suit, action, or proceeding by a third party (i) alleging that the Customer Data or other data or information supplied by Customer infringe the intellectual property rights or other rights of a third party or has caused harm to a third party or (ii) arising out of breach of clause 7 above.
3. Customer will defend, indemnify, and hold Supplier (and its officers, directors, employees and agents) harmless from any expense or cost arising from any third-party subpoena or compulsory legal order or process that seeks Customer Data and/or other Customer-related information or data, including, without limitation, prompt payment to Supplier of all costs (including legal fees) incurred by Supplier as a result. In case of such subpoena or compulsory legal order or process, Customer also agrees to pay Supplier for its staff time in responding to such third-party subpoena or compulsory legal order or process at Supplier's then applicable hourly rates.
4. In case of any claim that is subject to indemnification under this Agreement, the party that is indemnified ("Indemnitee") will provide the indemnifying party ("Indemnitor") reasonably prompt notice of the relevant claim. Indemnitor will defend and/or settle, at its own expense, any demand, action, or suit on any claim subject to indemnification under this Agreement. Each party will cooperate in good faith with the other to facilitate the defense of any such claim and will tender the defense and settlement of any action or proceeding covered by this clause 15 to the Indemnitor upon request. Claims may be settled without the consent of the Indemnitee, unless the settlement includes an admission of wrongdoing, fault, or liability.

16. DISCLAIMERS AND LIMITATIONS

1. Except with regard to Customer's payment obligations under clause 5 and with regard to either party's indemnification obligations under clause 15, in no event will either party's aggregate liability exceed the Service Fees due for the preceding twelve (12) month period at the time of the event or circumstance giving rise to such claim. Except in regard to Customer's breach of clause 7, in no event will either party be liable for any indirect, special, incidental, consequential damages of any type or kind (including, without limitation, loss of data, revenue, profits, use or other economic advantage).
2. The Supplier is not responsible for any defects or damages resulting from Customer's or Customer's agents or employees mishandling, abuse, misuse, accident, or Force Majeure. The Customer agrees to inform the Supplier of any Customer system change that may reasonably be expected to affect the Supplier's ability to provide the Service and shall notify the Supplier of any change to its IT configuration affecting the Services. The Supplier shall not be held responsible for the availability of telephone lines, the Internet, electricity, or servers outside its reasonable control. The Supplier provides no warranty or guarantee in relation to speed of delivery of the Service, including the speed of any restores. The speed of delivery of the Service is dependent on factors outside the control of the Supplier including inter alia the speed, functionality and condition of the Customer's IT infrastructure, the amount of data being restored and/or the bandwidth of the Customer's internet connection. Any errors caused arising from the inadequacy or defectiveness of the Customer's IT infrastructure and/or the connectivity and bandwidth of the Customer's internet connection may affect the delivery of the Service including the performance of any restores. The Supplier will notify

Customer of any technical failures in respect of delivery of the Service of which it is aware and subject to the terms of the Service Level Commitments, will endeavor to work with Customer to assist with rectification of any such failures. Customer acknowledges that changes may be required to the Customer's IT infrastructure and/or to its internet connectivity including its bandwidth capacity or otherwise to improve the speed, performance and/or delivery of the Service. Customer shall be responsible for the cost of any such changes. Any administrative and technical notifications in respect of the delivery of the Service will be sent by email to the Customer.

3. Except as set forth in the Service Level Commitments, the Supplier makes no warranty that the Service will be uninterrupted, timely, secure or error free. The Supplier expressly disclaims all liability howsoever arising from any change made to the Customer's IT configuration of the Client Environment of which Customer has not notified the Supplier in writing. No statement, whether oral or written, obtained by Customer from the Supplier shall create any warranty not expressly made herein.
4. The Customer recognizes that the Internet consists of multiple participating networks that are separately owned and not subject to the Supplier's control. The Customer agrees that the Supplier shall not be liable for damages incurred or sums paid when the Service is temporarily or permanently unavailable due to malfunction of, or cessation of, internet services by networks or Internet service providers not subject to the Supplier's control, or for transmission errors in, corruption of, or the security of the Customer Data or data transmitted through the Service carried on such networks or Internet service providers. The Supplier shall have no liability hereunder for damages incurred or sums paid due to any fault of Customer or any third party, or by any harmful components (such as computer viruses, worms and computer sabotage). The Supplier is not liable for any breach of security on the Customer's network, regardless of whether any remedy provided in this Agreement fails in its essential purpose.
5. THE WARRANTIES EXPRESSLY STATED IN THIS AGREEMENT ARE THE SOLE AND EXCLUSIVE WARRANTIES OFFERED BY SUPPLIER. THERE ARE NO OTHER WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THOSE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE SERVICES ARE PROVIDED TO CUSTOMER ON AN "AS IS" AND "AS AVAILABLE" BASIS. CUSTOMER ASSUMES ALL RESPONSIBILITY FOR DETERMINING WHETHER THE SERVICE OR THE INFORMATION GENERATED THEREBY IS ACCURATE OR SUFFICIENT FOR CUSTOMER'S PURPOSES.

17. CONFIDENTIALITY

1. "Confidential Information" means non-public information, technical data or know-how of a party and/or its Affiliates, which is furnished to the other party in written or tangible form in connection with this Agreement. Oral disclosure will also be deemed Confidential Information if it would reasonably be considered to be of a confidential nature or if it is confirmed at the time of disclosure to be confidential.
2. Notwithstanding the foregoing, Confidential Information does not include information which is: (i) already in the possession of the receiving party and not subject to a confidentiality obligation to the providing party; (ii) independently developed by the receiving party; (iii) publicly disclosed through no fault of the receiving party; (iv) rightfully received by the receiving party from a third party that is not under any obligation to keep such information confidential; (v) approved for release by written agreement with the disclosing party; or (vi) disclosed pursuant to the requirements of law, regulation or court order, provided that the receiving party will promptly inform the providing party of any such requirement and cooperate with any attempt to procure a protective order or similar treatment.
3. Neither party will use the other party's Confidential Information except as reasonably required for the performance of this Agreement. Each party will hold in confidence the other party's Confidential Information by means that are no less restrictive than those used for its own confidential materials. Each party agrees not to disclose the other party's Confidential Information to anyone other than its employees or subcontractors who are bound by confidentiality obligations and who need to know the same to perform such party's obligations hereunder. The confidentiality obligations set forth in this clause 17 will survive for five (5) years after the termination or expiration of this Agreement.
4. Upon termination or expiration of this Agreement, except as otherwise agreed in writing or otherwise stated in this Agreement, each party will, upon the request of the disclosing party, either: (i) return all of such Confidential Information of the disclosing party and all copies thereof in the receiving party's possession or control to the disclosing party; or (ii) destroy all Confidential Information and all copies thereof in the receiving party's possession or control. The receiving party will then, at the request of the disclosing party, certify in writing that no copies have been retained by the receiving party, its employees or agents.
5. In case a party receives legal process that demands or requires disclosure of the disclosing party's Confidential Information, such party will give prompt notice to the disclosing party, if legally permissible, to enable the disclosing party to challenge such demand.

18. DATA PROTECTION

1. The parties agree that the Customer is the Data Controller and the Supplier is the Data Processor in respect of any Personal Data.
2. The Supplier will:
 - 18.2.1 take appropriate technical and organizational measures against unauthorized or unlawful processing of, and accidental loss or destruction of, or damage to, Personal Data, having regard to the state of technological development and the cost of implementing any measures, to ensure a level of security appropriate to the harm that might result from such unauthorized or unlawful processing, accidental loss, destruction or damage and the nature of the Personal Data;
 - 18.2.2 only process Personal Data in accordance with instructions from the Customer and the Customer shall not provide the Supplier access to sensitive personal information that imposes specific security data security obligations for the processing of such data.; and
 - 18.2.3 take reasonable steps to ensure the reliability of its employees who have access to the Personal Data.

19. TERMINATION

1. If a party:

- a. commits a material breach of this Agreement which cannot be remedied; or
 - b. commits a material breach of this Agreement which can be remedied but fails to remedy that material breach within sixty (60) days of a written notice setting out the breach and requiring it to be remedied being given by the other party (or such longer period where agreed between the parties.
- the other party may terminate this Agreement immediately by giving not less than sixty (60) days' written notice to that effect to the party in breach. A breach can be remedied if the party in breach can comply with the relevant obligation in all respects other than as to time of performance unless time of performance of such obligation is of the essence. This clause 19.1 will not apply to any failure by the Customer to make any payment due to the Supplier under this Agreement on or before the due date. Clause 19.2 will apply instead to any such failure.
2. The Supplier may terminate this Agreement by giving not less than thirty (30) days' written notice to that effect to the Customer if the Customer fails to make any payment due to the Supplier under this Agreement within sixty (60) days after the relevant due date for payment.
 3. Either party may terminate this Agreement immediately by giving written notice to that effect to the other party if the other party becomes insolvent. Each party will notify the other party immediately upon becoming insolvent.
 4. If an application for an administration order, a notice of intention to appoint an administrator or a winding up petition is the only grounds for giving notice to terminate, that notice will be deemed to be ineffective if:
 1. in the event of an application for an administration order being made, that application is withdrawn or dismissed within ten (10) Business Days of being made;
 2. in the event of a notice of intention to appoint an administrator being filed, no administrator is appointed within ten (10) Business Days of the notice being filed; or
 3. in the event of a winding up petition being presented, that petition is withdrawn or dismissed prior to advertisement and within ten (10) Business Days of presentation.
 5. The Supplier's rights of termination set out in this Agreement are in addition to and not in substitution for any rights of termination which may exist at common law.
 6. Termination of this Agreement for any reason, shall not affect the accrued rights, remedies, obligations or liabilities of the parties existing at termination.

20. CONSEQUENCES OF TERMINATION

1. The termination of this Agreement howsoever arising is without prejudice to the rights, duties and liabilities of either party accrued prior to termination.
2. If the Supplier terminates or suspends the Service under this Agreement, Customer must pay within thirty (30) days all Service Fees and Professional Services Fees that have accrued prior to such termination or suspension, as well as any fees that remain unpaid for the Service up to date of termination or suspension plus related travel and expenses. If the Agreement is terminated by Customer for any reason other than a termination expressly permitted by the Agreement, Customer agrees that the Supplier shall be entitled to the Service Fees payable for the Service under the Agreement for the entire Initial Term or if terminated during an Extended Term, the Service Fees payable for the entire Extended Term, unless a provision to the contrary is stipulated in the Agreement.
8. The clauses in this Agreement which expressly or impliedly have effect after termination will continue to be enforceable notwithstanding termination.
9. The Customer shall not be entitled on or after the termination of this Agreement for any reason whatsoever to a rebate of any Service Fees paid in advance of their due date.
10. On termination of this Agreement howsoever arising the Customer will at the direction of the Supplier return to the Supplier any documents in its possession or control which contain or record any Confidential Information.

21. FORCE MAJEURE

1. Neither party to this Agreement will be deemed to be in breach of this Agreement or otherwise liable to the other party in any manner whatsoever for any failure or delay in performing its obligations under this Agreement due to Force Majeure, provided that it has complied and continues to comply with its obligations set out in clause 21.2. "Force Majeure" means in this Agreement catastrophic events of environmental and unforeseen nature. Examples defined as Force Majeure include, but are not limited to, hurricanes, tornados, earthquakes, and others of like unforeseen environmental impacts.
2. If a party's performance of its obligations under this Agreement is affected by Force Majeure:
 1. it will give written notice to the other party, specifying the nature and extent of the Force Majeure, within seven days of becoming aware of the Force Majeure and will at all times use all reasonable endeavors to bring the Force Majeure event to an end and, whilst the Force Majeure is continuing, to mitigate its severity, without being obliged to incur any expenditure;
 2. subject to the provisions of clause 21.3, the date for performance of such obligation will be deemed suspended only for a period equal to the delay caused by such event; and
 3. it will not be entitled to payment from the other party in respect of extra costs and expenses incurred by virtue of the Force Majeure.
3. If the Force Majeure in question continues for more than three (3) months a party may give written notice to the other to terminate this Agreement. The notice to terminate must specify the termination date, which must not be less than fifteen (15) days and once such notice has been validly given, this Agreement will terminate on that termination date.
4. If the Agreement is terminated in accordance with clause 21.3, then neither party will have any liability to the other except that rights and liabilities which accrued prior to such termination will continue to exist.

22. EMPLOYEES NON-SOLICITATION

1. Notwithstanding any degree of supervision exercised by either party over employees of the other, in no circumstances will the relationship of employer and employee be deemed to arise between either party and an employee of the other.
2. Unless this Agreement is earlier terminated by reason of the Supplier’s Insolvency (“Insolvency Event”) when no such restrictions shall apply, during the term of this Agreement and for a period of six months after its termination, Customer will not and will ensure that its Affiliates will not, directly or indirectly, without the prior written consent of the other, solicit, or permit any of its group companies to solicit or entice, the employment of any person who is employed by the other party or any of its group companies and whose role either wholly or partly relates to the provision of the Service or the performance of this Agreement. For the purposes of this clause 22, “solicit” or “entice” means the soliciting or enticing of such person with a view to engaging such person as an employee, director, subcontractor, consultant or independent contractor or through a company owned by such person or his or her family but will not apply in the case of any such person responding without enticement to a job advertisement which is capable of being responded to by members of the public (or sections thereof) generally.
3. In such circumstances where the Supplier suffers an Insolvency Event, nothing in this clause 22 will prohibit the Customer from soliciting or enticing or attempting to solicit or entice the employment of any of the key personnel for the duration of that Insolvency Event.

23. ASSIGNMENT

1. Either party may assign, novate or deal in any other manner with any of its rights and obligations under this Agreement.
2. Subject to the foregoing, this Agreement will be binding upon, and inure to the benefit of the parties and their respective successors and permitted assigns.

24. NOTICES

1. Notices will be in writing, in the English language, marked for the attention of the specified representative of the party to be given the notice or communication and:
 1. sent by pre-paid first-class post to that party’s address;
 2. sent by e-mail to that party’s e-mail address (with a copy sent by pre-paid to that party’s address within twenty-four (24) hours after sending the e-mail).

The address, e-mail address and representative for each party are set out below and may be changed by that party giving at least five (5) Business Days’ notice in accordance with this clause 24:

<p>██████████</p> <p>Attention of:</p>	<p style="text-align: center;">EXAMPLE</p> <p>PrimeGov Finance Solutions Inc. 342 Perry Street Harrisburg, PA 17101</p> <p>Attention of: PrimeGov Finance billing@primegov.com</p>
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2. Any Notice given in accordance with 24.1 will be deemed to have been served:
 1. if given as set out in clause 24.1.1 at 9.00 am on the second Business Days after the date of posting; or
 2. if given as set out in clause 21.2.3, at the time of sending (except that if an automatic electronic notification is received by the sender within twenty-four (24) hours after sending the e-mail informing the sender that the e-mail has not been delivered to the recipient or that the recipient is out of the office, that e-mail will be deemed not to have been served).

25. RELIANCE ON REPRESENTATIONS

1. The Customer acknowledges that this Agreement has not been entered into wholly or partly in reliance on, nor has the Supplier given or made, any warranty, statement, promise or representation other than as expressly set out in this Agreement.
2. Nothing in this clause 25 will exclude any liability which one party would otherwise have to the other party in respect of any statements made fraudulently.

26. SET-OFF OR WITHHOLDING

All payments to be made by the Customer to the Supplier under this Agreement will (in the absence of express written agreement from the Supplier) be made in full without any set-off, restriction or condition and without any deduction or withholding for or on account of any counterclaim or any present or future taxes, levies, duties, charges, fees, deductions or withholdings of any nature unless the Customer is required by law to make any such deduction or withholding and Customer has given prior notification to Supplier of such legal obligations on the Customer’s part.

27. ENFORCEMENT BY THIRD PARTIES

The terms and conditions of this Agreement are for the sole benefit of the parties and nothing herein will be construed as giving any rights to any person or party not a party to it.

28. INVALIDITY/SEVERABILITY

If any clause or part of this Agreement is found by any court, tribunal, administrative body or authority of competent jurisdiction to be illegal, invalid or unenforceable then that provision will, to the extent required, be severed from this Agreement and will be ineffective



without, as far as is possible, modifying any other clause or part of this Agreement and this will not affect any other provisions of this Agreement which will remain in full force and effect.

29. VARIATION

This Agreement may only be varied or amended in writing and signed by the parties or their authorized representatives of each of the parties.

30. WAIVER

No failure or delay by the Supplier to exercise any right, power or remedy will operate as a waiver of it nor will any partial exercise preclude any further exercise of the same, or of some other right, power or remedy.

31. DISPUTE RESOLUTION

1. If a dispute arises out of or in connection with this Agreement or the performance, validity or enforceability of it (“Dispute”) then, except as expressly provided in this Agreement, the parties shall follow the dispute resolution procedure set out in this clause 31.
2. The parties will initially seek to resolve the Dispute through discussion and negotiation in good faith between the appropriate officers of the parties. If the Dispute is not resolved, through discussion and negotiation under this section, within thirty (30) days (or such alternative time period as may be agreed between the Parties), the following procedure will apply:-
 1. Any dispute relating to the terms, interpretation or performance of this Agreement (other than claims for preliminary injunctive relief or other pre-judgment remedies) will be resolved at the request of either party through binding arbitration. Arbitration will be conducted under the rules and procedures of the American Arbitration Association (“AAA”). The parties will request that AAA appoint a single arbitrator. Judgment on the arbitrator’s award may be entered in any court having jurisdiction. In the event any provision of this Agreement is held by a tribunal of competent jurisdiction to be contrary to the law, the remaining provisions of this Agreement will remain in full force and effect and an enforceable provision that most closely reflects the parties’ intent will be substituted for the unenforceable provision. The waiver of any breach or default of this Agreement will not constitute a waiver of any subsequent breach or default, and will not act to amend or negate the rights of the waiving party.

32. GOVERNING LAW AND JURISDICTION

- 32.1 The formation, existence, construction, performance, validity and all aspects whatsoever of this Agreement or of any term of this Agreement will be governed by the laws of the State of California.
- 32.2 The courts of California will have non-exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Agreement. The parties irrevocably agree to submit to that jurisdiction except that either party may seek injunctive relief in any court of competent jurisdiction.

33. MERGER AND MODIFICATION

This Agreement, including the attached documents, constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified within this Agreement. This Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by both parties.

34. INTERLOCAL AGREEMENT

This Agreement may be extended for use by other municipalities and governmental agencies upon execution of an addendum or other signed writing setting forth all of the terms and conditions for such use, including the products and services and fees applicable thereto. Any such usage by other entities must be in accordance with the code, charter, and/or procurement rules and regulations of those respective governmental entities.

35. NONDISCRIMINATION AND COMPLIANCE WITH LAWS

Supplier agrees to comply with all applicable laws, rules, regulations, and policies, including those relating to nondiscrimination, accessibility, and civil rights. Supplier agrees to timely file all required reports, make required payroll deductions, and timely pay all taxes and premiums owed, including sales and use taxes and unemployment compensation and workers' compensation premiums. Supplier shall have and keep current at all times during the term of this Agreement all licenses and permits required by law.

SIGNED BY the parties on the date stated at the beginning of this Agreement.

CUSTOMER NAME

PRIMEGOV

.....
Authorized Signature

.....
Authorized Signature

.....
Print Name/Title

Sherif Agib/President
Print Name/Title



EXAMPLE

SCHEDULE 1 – Support Services Contract

This Support Services Contract describes the expected performance of the PrimeGov Service, the procedures for reporting an issue, and expected turnaround time on issues reported.

1. **Service Uptime Target.** PrimeGov has a target uptime of >99.95% measured on a monthly basis. This time excludes any planned maintenance that have been identified to the Customer. PrimeGov shall give a minimum of two (2) business days’ notice for planned maintenance updates. Planned maintenance will be targeted to occur between 12:00 a.m. (midnight) to 03:00 a.m. Mountain Time on Friday. Update notes are published as part of the maintenance notification, highlighting new features, improvements, and bug fixes. Maintenance time frames are subject to change by PrimeGov, and proper notification is provided to the Customer within the minimum two (2) business day period.

2. **Reporting an Issue.**

a. **Contact Details.** At PrimeGov, we built our support system with alerts to anticipate any service disruption so that our Customer Success team can address any technical items before they become an issue for our customers. In the case where a Customer discovers an issue, or the Service is unavailable, the Customer should notify the PrimeGov Customer Success team through one of the following channels:

- i. Entering a ticket in the help desk system at support.primegov.com.
- ii. E-mailing the Customer Success team directly at support@primegov.com.
- iii. Calling the Customer Success team at 1-833-634-6349.

b. **Hours of Coverage.** Regular Support Services are provided between 8:00 am and 6:00 pm Mountain Time, Monday through Friday. On-call and emergency support are provided outside of regular Support Service hours online and by phone. More specifically, the hours are as follows:

- i. **Call for phone support.** Phone support is available twenty-four (24) hours a day, seven (7) days a week by calling 1-833-634-6349.
- ii. **Enter an issue in the help desk system.** This service is available twenty-four (24) hours a day, seven (7) days a week at support.primegov.com.
- iii. **Email an issue to the Customer Success team.** This service is available twenty-four (24) hours a day, seven (7) days a week.

c. **Customer Priority Identification.** The Customer will supply their determined priority for each support item logged in accordance with the following Priority Code:

PRIORITY CODE	DESCRIPTION
P1 - Critical	The problem is impacting all Users by the Service being unavailable with no work-around available.
P2 - High	The problem is impacting a significant number of Users and is causing a significant business impact, where there is no work-around available.
P3 - Moderate	The problem is impacting a small number of Users and is causing a minor business impact or is causing a significant business impact, but there is a workaround available.
P4 - Low	Non-service affecting defect. Non-urgent or cosmetic problems, queries, causing inconvenience only.

3. **Resolving an Issue**

a. **Steps to Resolution.**

i. PrimeGov Customer Success staff will analyze the issue and revert to the Customer with an assessment of the issue.

ii. The issue will then result in one of the following actions:

- 1. The PrimeGov Customer Success staff will send a set of steps to close the issue with associated times.
- 2. PrimeGov Customer Success staff will ask for more clarification/ information on the issue.
- 3. PrimeGov Customer Success staff may discuss the priority of the issue.
- 4. The Customer and the PrimeGov Customer Success staff will mutually agree to close or reprioritize an issue.

iii. If a support issue is closed because it has been successfully resolved, then PrimeGov Customer Success staff will provide a brief description of the final solution to the Customer.

b. **Target Response Time.** PrimeGov will aim to provide the Customer with a response within a specific time limit based on the agreed Priority Code of the Support Issue (a “**Target Response Time**”). The following Target Response Times are within the hours of coverage:

PRIORITY CODE	DESCRIPTION	TARGET RESPONSE TIME <
P1	Critical	30 minutes

P2	High	1 hour
P3	Moderate	2 hours
P4	Low	40 hours

4. **Problem Escalation.** A Support Call's Priority Code may be escalated by either the Customer or PrimeGov, if it is found to be more business critical than first realized or if the steps to resolve are proving unsatisfactory. In the event of escalation, the following contacts from PrimeGov should be called:

ROLE	NAME	CONTACT EMAIL
Technical Support Lead	Sydney Erickson	sydney.erickson@primegov.com
Technical Support Director	Larry Thorpe	larry.thorpe@primegov.com
President	Sherif Agib	sherif@primegov.com

5. **Minor Enhancements.** Requests by the Customer for minor enhancements or changes to the Service not relating to a defect or error inherent in the Service will be considered on a case-by-case basis and will be included under this Agreement at the sole discretion of PrimeGov if in the PrimeGov software product roadmap.

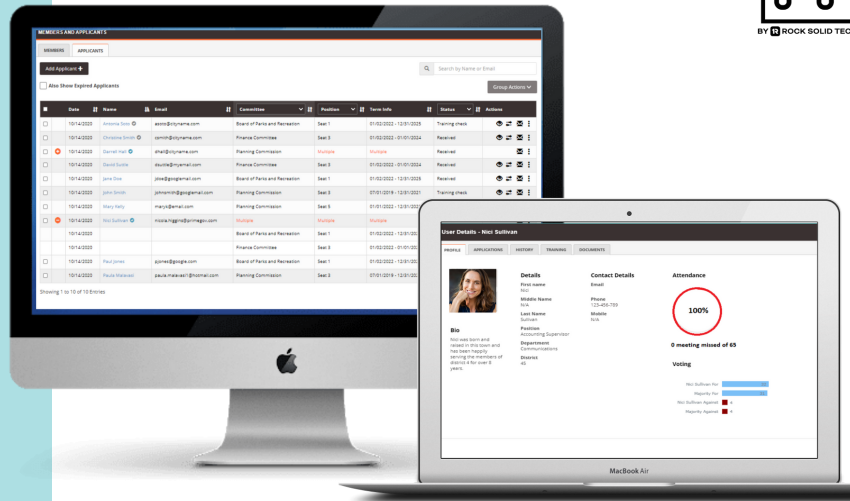
6. **Knowledge Base.** PrimeGov provides a searchable online knowledge base for questions and issue resolution is available at support.primegov.com. The documentation provided includes product updates, technical assistance, and tutorials. The content is regularly updated and expanded and each article contains links to related articles for increased navigation. The knowledge base is available on the same website as the support ticket management system for ease-of-use.

7. **Exclusions**

- a. Requests by the Customer for significant enhancements or changes to the Service not relating to a defect or error inherent in the Service will be excluded from this Agreement and will be managed separately.
- b. PrimeGov is only obliged to provide the Support Services with respect to the then current version of the Service. If PrimeGov provides Support Services for older versions/releases, this is done without obligation on an "as-is" basis at PrimeGov's sole discretion and without any service level applying and PrimeGov may make the provision of further Support Services for older versions of the Service subject to the payment of additional fees.
- c. Any alteration, modification or maintenance of the Service by the Customer or any third party which has not been authorized in writing by PrimeGov.
- d. Any failure by the Customer to implement any recommendations, solutions to faults, problems or updates previously advised or delivered by PrimeGov to the Customer.
- e. Either Party being subject to Force Majeure.
- f. The Customer's failure, inability or refusal to allow PrimeGov's personnel proper and uninterrupted access to the Service.

PrimeGov:

PrimeGov empowers local governments to optimize and digitize their agenda, meeting, and committee management processes with a single end-to-end cloud-based solution. With PrimeGov, you can seamlessly host hybrid meetings with remote voting capabilities, therefore, saving time, increasing efficiency, and promoting transparency with your constituents.



Our Solution Helps You:



Save Time

Save time by optimizing your agenda management processes with a single end-to-end solution.



Enhance Accuracy

Our comprehensive workflow system ensures accuracy by reducing document review time.



Increase Efficiency

Eliminate hours spent gathering, printing, and distributing meeting packages. Standardize and digitize your processes in a single, secure platform.



Promote Transparency

Empower your constituents to access and consume all the meeting documents at any time at their discretion. Increase constituent involvement through virtual meetings and video streaming.



Productive Collaboration

Increase productive collaboration with internal stakeholders by seamlessly working on agenda creation processes.



Product Modules

Agenda Automation

Manage agenda items from beginning to end and track them throughout the entire journey. Create agendas, packets and summaries with a single click.

Meeting Management

Seamlessly manage your pre-meeting, during meeting, and post-meeting activities with a single interface.

Committee Manager

An end-to-end solution tailored to save you time and end your dependency on spreadsheets for applicant tracking.

Community Engagement

Connect the public and government through automatic website and social media updates during meetings.

Video Streaming

Get citizens involved in the democratic process with live stream videos and on-demand recordings of public meetings and events.

Single End-to-End Solution

Pre-Meeting

- Customizable templates for your agenda documents
- Create and manage as many meeting types as you need
- Easily reschedule items and adjust your agenda
- Add and manage positions and terms of service for all members in all committees

During Meeting

- Record motions, minutes, actions, and notes on an item
- Manage speaker list and timer
- Quick motion shortcuts and block voting capabilities to maximize meeting efficiency
- Allow elected officials to vote digitally for both in person and virtual meetings

Post-Meeting

- Update meeting minutes and information immediately
- Generate comprehensive reports
- Full text search capability for item and supporting material
- Full 1080p HD responsive video capabilities. Multi-bit rate eliminates buffering

Our Customers Love Us



"The PrimeGov program offered our city the best solution to automating our agenda management, committee management, and constituent ease of use. Internally, the program will save us vast amounts of time for staff in preparing agendas."

Jesse Guillen

Legislative Liaison, Santa Fe, NM

"We needed a product that our users embrace and find efficient, where they don't need to call IT for support" said John. "Your product nailed that. The way you guys built it, you guys knew how the clerks think...I felt that we had a light at the end of the tunnel when we found you, so I'm thankful we have found you."

John Lin

IT Manager, Ventura County

Are you ready to optimize and digitize your agenda, meeting, and committee management processes? Take a closer look at PrimeGov



Email sales@primegov.com to schedule a demo

About PrimeGov

PrimeGov empowers local governments to optimize and digitize their agenda, meeting, and committee management processes with a single end-to-end cloud-based solution. With PrimeGov, you can seamlessly host hybrid meetings with remote voting capabilities, therefore, saving time, increasing efficiency, and embracing transparency with your constituents.

PrimeGov Integrations

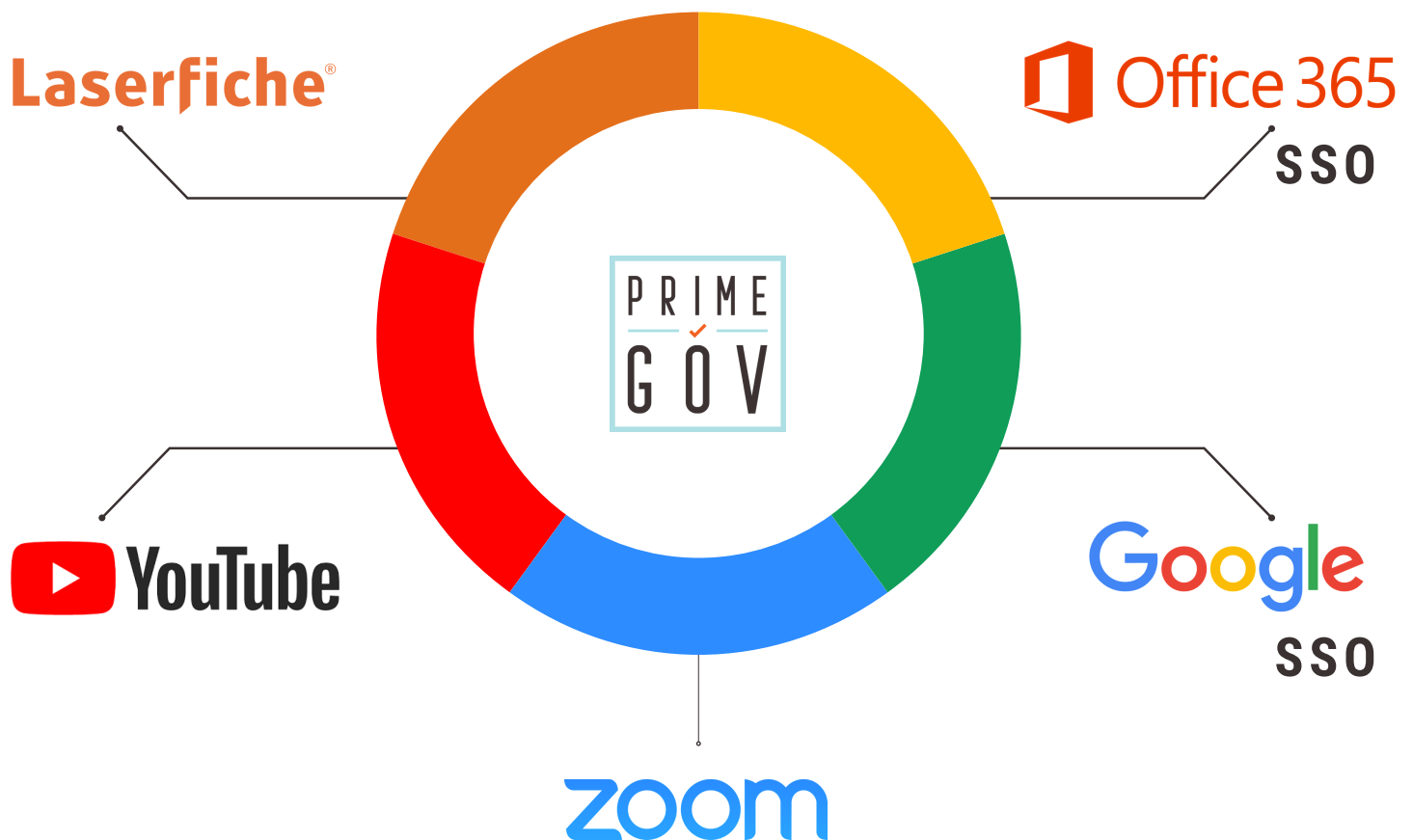
Laserfiche, Zoom, Microsoft Office365 SSO, Google SSO, and YouTube

PrimeGov:

PrimeGov empowers local governments to optimize and digitize their agenda, meeting, and committee management processes with a single end-to-end cloud-based solution. With PrimeGov, clients can seamlessly host hybrid meetings with remote voting capabilities; therefore saving time, increasing efficiency, and promoting transparency.

We build our solution on widely used and supported web applications. Technology, particularly video, has improved dramatically over the last few years. Our role as a company isn't to reinvent the wheel but to adapt software to meet the specific needs of clerks.

We provide out-of-the-box Laserfiche, Zoom, Microsoft Office365 SSO, Google SSO, and YouTube integrations to pair our best-in-class solutions with our clients' existing systems.



Laserfiche®

At PrimeGov, our customers' needs are our top priority. We have established a Laserfiche integration at the forefront to help our customers manage their documents and link with their existing software.

The PrimeGov integration with Laserfiche provides two primary features:

- Documents, and their related metadata, can be published to selected Laserfiche folders when pulled from PrimeGov.
- Laserfiche folders can be accessed to select files to upload when adding attachments to sections and items in PrimeGov.

Our solution removes the need for users to manually download files from one system to place in the other.

The mapping of metadata when publishing documents from the PrimeGov system into Laserfiche provides additional time savings and error reduction, ensuring data is accurate and present in all files.

At PrimeGov we focus on the problem our clients are trying to solve, working with them to find the best possible solution. We are open to integrating with compatible providers of solutions that compliment our product, where we can work together to provide a service that helps our client get the job done.

Nicola Sullivan
VP Product Management | PrimeGov

zoom

The world is moving to virtual and committee/board meetings are adjusting fast. At PrimeGov, we support and enable our customers to meet and to work with their users and constituents where they are: online.

We have integrated with Zoom, the popular video conferencing tool, to provide features that support virtual committee meetings. With Zoom integration, you can host virtual meetings, video conference, and:

- Live-stream video conferences directly to YouTube.
- Share meeting information with the public: items under discussion, a summary of vote results, streamed video, and more.
- Prompt members with vote options.

- Capture minutes, motions, and vote information in the PrimeGov application.
- Run and stream multiple meetings at the same time.

Our Zoom integration empowers local governments to get citizens seamlessly involved in the democratic process.



YouTube

PrimeGov seamlessly integrates directly with YouTube to live-stream your meetings and retain all past meeting recordings. Once PrimeGov is connected to the client's YouTube channel, public meeting videos will be created and linked from PrimeGov automatically.

- Establish a direct connection to their YouTube channel.
- Automatically create videos from within PrimeGov, without the need to access YouTube.
- Control meeting settings including:
 - Privacy settings
 - Streaming options
 - Streaming resolution

- Add alternative video links from YouTube post-meeting.
- Live-stream YouTube videos and make them available post-meeting.
- Embed YouTube videos directly into our Public Portal, with direct links to indexed timestamps recorded on an item during the meeting.



Office 365 and Google

Single Sign-On (SSO)

Managing many passwords across multiple applications can turn into a maintenance nightmare and frustrate your users. PrimeGov has designed a single sign-on (SSO) to work with Microsoft Office365 and Google to simplify logging in and enhance security for our users.

- With SSO, PrimeGov clients can:
 - Manage user passwords in a single location: Office365 or Google.
 - Log in to PrimeGov with a single click, using saved Office365/Google passwords.
 - Reduce the issues with forgotten passwords for users.

At PrimeGov, we take pride in our consultative approach towards product creation and enhancing the customer experience.

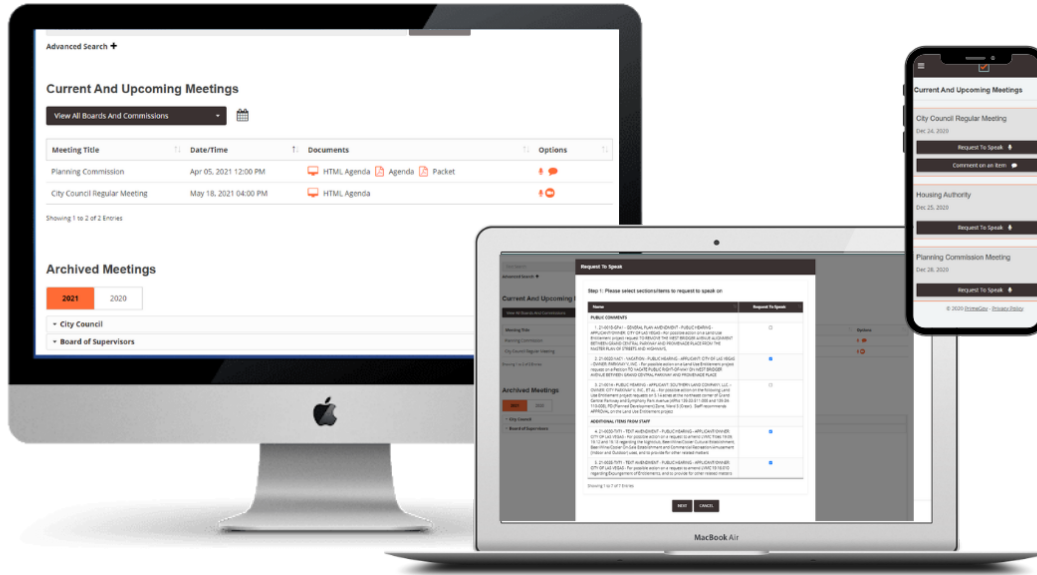


If you have any questions, please email sales@primegov.com and we will be glad to guide you.

About PrimeGov

PrimeGov empowers local governments to optimize and digitize their agenda, meeting, and committee management processes with a single end-to-end cloud-based solution. With PrimeGov, you can seamlessly host hybrid meetings with remote voting capabilities, therefore, saving time, increasing efficiency, and embracing transparency with your constituents.

Keep Community Members Apprised of Public Meetings and Encourage Participation in the Process



Local governments have a significant—but underestimated—impact on the day-to-day lives of those who live, study, and work within their boundaries. Cities and counties must engage constituents in the legislative and decision-making process, yet it's challenging for officials to create a seamless experience for residents in the digital era and to remove barriers to involvement.

PrimeGov offers an out-of-the-box, holistic solution that empowers government officials to manage the front- and back-end of the engagement process and make it easier for government officials and constituents to communicate with each other

Amplify Your Community's Participation



Empower

Empower city officials with tools to facilitate engagement with constituents.



Subscribe

Encourage community members to subscribe to meeting updates, video streaming, and public records.



Engage

Engage constituents by encouraging and enabling them to speak and ask questions during meetings.

Community Engagement Tools at Your Fingertips

Request to Speak

- Allow constituents sign up to speak on meeting items quickly and easily.
- Individual items can be enabled for comment.
- Customizable submission form to capture the data that matters most to you.
- Speakers can be accessed and activated during the meeting.

Submit Comments

- Allow constituents submit comments on meeting items quickly and easily.
- Attachment support option available to allow submission of supporting materials with comments Individual items can be enabled for comment.
- Customizable submission form to capture the data that matters most to you.

Kiosk View

- Tablet-based kiosk view adds physical access to the solution.
- Allow constituents sign up to speak quickly and easily from within the meeting spaces.
- Options to view all upcoming meetings, meetings today, meetings for the next x days, or a single meeting only.

Reports

- Onscreen reports containing relevant speaker and comment information.
- Filter to specific items to provide relevant reports.
- Export as PDF for sharing with members.

Our solution helps you to:



Amplify Community Participation

Designed to encourage and broaden community participation in the public meeting process.



Seamless Communication

Facilitate two-way communication between elected officials and their constituents.



Increase Subscribers

Allow individuals to subscribe to the updates that matter most to them.

If you are ready to amplify your community engagement, take a closer look at PrimeGov



About PrimeGov

PrimeGov empowers local governments to optimize and digitize their agenda, meeting, and committee management processes with a single end-to-end cloud-based solution. With PrimeGov, you can seamlessly host hybrid meetings with remote voting capabilities, therefore, saving time, increasing efficiency, and embracing transparency with your constituents.



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**

January 25, 2022

TO: Operations Oversight Committee
Alan Bernstein, Chair
Herman B. Santos, Vice Chair
Keith Knox
Antonio Sanchez
JP Harris, Alternate

FROM: Shonita Peterson
Process Management Group

FOR: February 2, 2022 Operations Oversight Committee Meeting

SUBJECT: Prepaid Debit Card Request for Proposal

RECOMMENDATION:

It is recommended the Operations Oversight Committee approve the release of a Request for Proposal (RFP) to solicit proposals for a pre-paid debit card program to support LACERA members who opt not to receive, or cannot receive, paper checks, or enroll in our direct deposit program.

Executive Summary

Providing the promised benefits is key to LACERA's overall mission. LACERA is committed to providing quality and timely service to our members and other payees through channels that are the most accurate and effective. As an organization we will continue to work diligently to ensure that all payees receive their monthly benefit in the most efficient and convenient manner possible.

In today's growing pension environment, the use of paper check payments has seen a sharp decline over recent years. The establishment of automation services, such as Automated Clearing House (ACH) (generally referred to as "direct deposit") and Electronic Funds Transfer (EFT) has led organizations to provide more convenient methods of payment for members, reduce costs by turning to more resourceful and, more importantly, less expensive, and safer options to paper checks. With the spread of digital transformation in businesses, it's no wonder paper checks have become so unpopular. Furthermore, the pandemic has served to solidify the preference of electronic payments within the industry. There is an ongoing trend among retirement systems within and outside of California to reduce the use of paper checks and make EFT, commonly known as direct deposit, mandatory for their new retirees.

Findings and Impacts from the Review

In our experience, we have found that mailing paper checks is no longer a reliable payment option and will continue to pose risks when it comes to distributing payments to our members. As previously mentioned in the Paperless Payment memo to the Operations Oversight Committee (OOC) dated December 28, 2020, the Member Services Division Manager informed the OOC of the occurrence where monthly benefit checks were invalidated due to misprinting by the check vendor, which caused delays. As recent as November 2021, there was another printing issue in which checks were printed on the wrong paper, causing delays in payments to members and hours of extra work for staff. In addition to printing issues, the United States Postal Service (USPS) lost a batch of paper checks, which were later located and in the possession of the USPS, however, this error resulted in numerous phone calls to the call center and delayed payments to our retirees. LACERA was recently informed that the USPS will be extending the amount of time it takes to deliver mail to remote locations adding yet another challenge in the delivery of monthly payments via paper check.

In the past year and a half, we have experienced delay or obstruction of delivery of paper checks due to the current pandemic. Like many things that may occur during a crisis or other disaster emergencies, paper check's shortcomings are amplified. Currently, if we or our vendor are unable to print checks in a natural disaster it could be a huge impact to our members receiving checks who may have to wait up to a week longer to receive payment. Whereas, if we convert our current check recipients to debit card, there is no risk to not being able to print and mail checks.

The delays described above could and have impacted all of the more than 1,600 members receiving paper checks. It remains clear that there is an urgent need to implement an updated benefit payment disbursement method for our members and continue in our efforts to reduce our dependency on paper processes, which include the use of paper checks.

Within the Paperless Payment memo, the Member Services Division Manager also provided information regarding various alternatives that the Process Management Group (PMG) explored as a secondary option to direct deposit. However, the payment option that provided the most benefit to LACERA and our members was the prepaid debit card.

What are our peers doing?

A large number of our industry partners continue to move away from paper checks. Many have already made the decision to exclusively offer Electronic Fund Transfer (EFT) as their primary platform for their monthly benefit payments. ACH (direct deposit) is the primary payment option for most of our peers.

One of our industry partners, CalSTRS, has implemented a prepaid debit card program for their foreign payees through US Bank. CalSTRS also experienced challenges with payment disbursement due to COVID-19. The change was implemented and is now offered to their members who live abroad. However, now that the program has been successfully established, they hope to offer it to their domestic members as well.

Prepaid Debit Card



LACERA's mission is to pay the promised benefits correctly and promptly. The most efficient and convenient way to pay these benefits is through direct deposit. LACERA has made the transition to direct deposit, and it will remain our primary payment method. Since making the transition to a more electronic payroll system, we are increasingly encouraging members and other payees to enroll in direct deposit at every opportunity. While we still support member

requests for payment by check, LACERA no longer openly offers this as an option in our direct deposit materials. However, we are sensitive to the needs of our members and recognize that some members are not in a position to, or refuse to, obtain a bank account, or are prevented from qualifying for direct deposit due to their location or living situation like those members who may live abroad. It is for these members that we seek to implement a more dependable and acceptable payment method to efficiently and reliably serve members who cannot or will not establish a qualified bank account. One of the most popular payment options is the prepaid debit card. Prepaid debit cards are used widely to deliver government benefits including social welfare, disability, unemployment, and veteran's benefits. It has become one of the most popular alternatives to paper checks. Prepaid debit cards can offer the utility of credit and debit cards without the commitment of setting up an account with a financial institution. A prepaid debit card program will also be very beneficial to LACERA. These benefits will include:

- Reduced costs: Electronic payroll systems eliminate printing and postage costs.
- Reduced risk: No more lost or stolen checks and less opportunities for fraud.
- Member convenience: More secure, reliable, and convenient than paper checks.
- More efficient: Faster and more successful reconciliation of funds than through paper-based, manual methods.

A prepaid debit card will serve as a complement to direct deposit and allow the organization to electronically disburse monthly payments to the member and other payees even if they do not have a personal bank account.

PMG has done extensive research on the prepaid debit card program by major financial institutions. The primary benefit of this option is the faster receipt of funds for those who still receive paper checks. Between international mail delays and lost or stolen checks, LACERA members have faced challenges receiving their funds in a timely manner. A

prepaid debit card will eliminate this issue as payments are loaded electronically to the same card account on time every month and payees will have real-time access to their funds. Another benefit is that the card could be Visa or Mastercard branded which would allow our members the added convenience to make purchases using the card.

Program Cost

PMG engaged in discussions with potential vendors regarding the prepaid debit card programs they offered. Through thorough research and these informative discussions, we discovered a pre-paid debit card program could be structured in a way that eliminates any cost to LACERA.

There are several factors that go into the profitability model for a program like this, but the primary driver of a prepaid debit card's revenue is most often found in interchange (standard fees charged to merchants for the acceptance of credit/debit card payments) and interest income (float) on the balances held on the cards prior to the funds being spent. Any additional cost information will be included in a real cost or pro forma statement from potential vendors via a Request for Proposal (RFP).

Request for Proposal

PMG discovered during their research that there is a vast array of potential vendors, but there may be only a few that would have the ability to accommodate the needs of the organization. In order to identify a qualified vendor to provide this service, the decision was made to launch a Prepaid Debit Card RFP. Our goal is to find a vendor that is the best fit for LACERA and its members.

Conclusion

Over the past year and a half, it has become evident that transitioning to a fully electronic payment disbursement is not only ideal but imperative to ensure we can pay our members efficiently and without disruption. Incorporating a prepaid debit card program will allow LACERA to advance and preserve a high quality of service to our retirees – especially those who live abroad. Partnering with a banking institution to issue monthly disbursements via a prepaid debit card would be the best possible solution.

LACERA's industry partners and other organizations around the world are embracing the paperless payroll model because it saves time and money. In addition to direct deposit, a prepaid debit card program will offer a more efficient secondary option and provide the member a more efficient and reliable method to receive their monthly benefit payment.

With the proper implementation and updates to our payroll system, LACERA can combine our current payment system with additional innovative technology to deliver a streamlined and paperless payroll system. This would reduce the work hours, money, and complications associated with processing outdated checks and uncertain cash payroll processes.

Re: Prepaid Debit Card RFP

January 25, 2022

Page 5

Launching sustainable practices such as this program would allow LACERA to join the efforts of our industry partners in promoting stewardship of our natural resources. Sustainability is critical in balancing the environmental, societal and governance influences of business development to ensure that we meet the needs of our present membership without compromising the ability of future generations to meet their needs. We will be part of a larger group that has already made significant advances in their sustainable practices in terms of their business decisions that consider environmental, social and governance implications. Continuing to find ways to enhance our sustainable practices will support the financial integrity of the fund for the benefit of our members and our community.

RECOMMENDATION:

Therefore, it is recommended the Operations Oversight Committee approve the release of a Request for Proposal (RFP) to solicit proposals for a pre-paid debit card program to support LACERA members who opt not to receive, or cannot receive, paper checks, or enroll in our direct deposit program.

Attachment

Noted and Approved:

A handwritten signature in black ink, appearing to read "JJ Popowich", written over a horizontal line.

JJ Popowich,
Assistant Executive Officer, LACERA

FOR INFORMATION ONLY

January 15, 2021

TO: Operations Oversight Committee
Shawn R. Kehoe, Chair
Herman B. Santos, Vice Chair
Ronald A. Okum
Les Robbins
Vivian H. Gray, Alternate

FROM: Allan Cochran
Member Services Division Manager

FOR: February 3, 2021 Operations Oversight Committee Meeting

SUBJECT: **LACERA Paperless Initiative**

Executive Summary

LACERA is committed to providing service and communicating with our members within the channels they feel comfortable and in efficient and safe methods. Some members prefer to communicate over the phone, some in person, some by mail, and some electronically. These channels are choices that we respect. Regardless of the channel the member chooses, our goal is to be accurate, efficient, and safe.

In addition, the recent COVID-19 pandemic has demonstrated the inherent risks to some channels of communication. During this pandemic, we have experienced delays in mailing physical documents to members, survivors, and beneficiaries and have found operating an in-house mail operation places staff members at greater risk during a pandemic. In order to mitigate both issues, and to support a greater range of channel choice for our members, we recognize we must continue to innovate and adapt. To increase options for our members and reduce the amount of physical mail we generate, the Member Operations Group, working in conjunction with Systems, Internal Audit, Legal, and the Executive Office, has launched a Paperless Initiative project. This project is two-fold:

- One area involves paperless correspondence by promoting and encouraging receiving most correspondence electronically, while still supporting traditional mailed communication by member choice. In place of paper mail, members will agree to access correspondence via our My LACERA secure member portal.

- The second aspect pertains to paperless payments where we can begin to offer additional paperless payment options to members who are unable to elect direct deposit.

This memo will discuss these two initiatives.

Paperless Correspondence

LACERA sends out volumes of letters and paper correspondence to members, survivors, and payees each month. Some of this correspondence is processed by our vendor who prints and mails the Automatic Deposit Receipts (ADR) and our Annual Benefit Statements (ABS). However, the remainder of our correspondence is generated and mailed internally and can range from standard notifications like those sent when a member has a missing period of service, to service credit purchase contracts, confirmation letters that let members know we received a submitted document, and other customized correspondence.

During the pandemic it has been extremely challenging to mail the internally generated documents to our members and survivors. Mailing documents requires staff members to be physically in the office. However, due to the safety precautions we must take, we have had to operate on a reduced onsite staffing model. This has led, on average, to about a one to two week delay in mailing documents to members. Additionally, at least twice during the pandemic, LACERA had to close the DPC due to potential exposure incidents. These closures lasted anywhere from a day to a week in duration.

In recent years, we have also experienced some challenges with our printing and mailing vendor and the post office. This has contributed to instances of delays in member's receiving their ADR and checks. A recent RFP to search for a new printing and mailing vendor failed to garner sufficient responses.

These unfortunate delays create both a risk and an inconvenience for our members and survivors who rely on LACERA to provide timely responses to their requests.

It is also not lost on us that with the advance in technology making secure online access to financial documents common, and with the weakening confidence in the timeliness and security of our postal system, members and survivors are increasingly asking for an alternative to receiving this information (some of it confidential) by mail. These requests are increasing as more and more members prefer the ease and safety of receiving communications electronically.

The first step in our process to prepare to encourage the adoption of receiving correspondence electronically was to review approximately 600 different types of correspondence that are generated by both the Member Operations Group and Retiree Healthcare to determine which are candidates for electronic delivery. When we say "received electronically" we are referring to the posting of documents to a member's My LACERA portal account, along with an email notification to a member that the document is available for viewing. In some cases, when we are confirming the receipt of a document,

we will be moving to an electronic notification via email only if a member has a valid email on account.

The initial review has been completed and we have identified about 25 documents which must be excluded from delivery electronically only. That is not to say that these documents cannot be received electronically, only that they **must** be received by mail or certified mail. The determining factor is based on legal and risk based requirements. For example, we have provided an initial list of documents we will require to be mailed. This list may change over time.

Mailed Delivery Required (Electronic Delivery Also Provided)
Retirement Board Letters
Disability Decision Letters
Address Change Confirmations (mailed to current and new addresses)
Termination Letters (Mailed when a member leaves County service)
Documents Required to be Mailed via Certified Mail

This list is a living document. We will continue to constantly review and modify the list as we learn from experience and new data becomes available.

Managing the Transition

We have a multi-pronged approach to making this transition. The approach we have discussed takes into account that this will be a transition for our members, and some will adapt to electronic delivery quickly, while others may be reluctant or unable to adapt to this method. In keeping with our “preferred channel” methodology of providing service we will encourage electronic delivery, while continuing to accommodate those members who continue to prefer receiving documents via mail.

Automatic Deposit Receipt (ADR) Campaign

One mailed document most requested to be received electronically are the Automatic Deposit Receipts (ADR). Each month payees (retirees, surviving spouses, and surviving beneficiaries) are mailed an ADR. The ADR reports gross monthly income, deductions, and the monthly net payment – all important and personal information for our payees. Every month more than 68,000 ADRs are mailed to payees at an annual cost of more than \$27,000.00 per month. In addition to mailing ADRs, we currently upload each of these documents to a member’s My LACERA Document Center.

The Member Operations Group and Systems have identified ADR mailings as a logical choice to launch a paperless campaign. These documents are already electronically available to members in the Document Center on My LACERA.

Re: LACERA Paperless Initiative

January 15, 2021

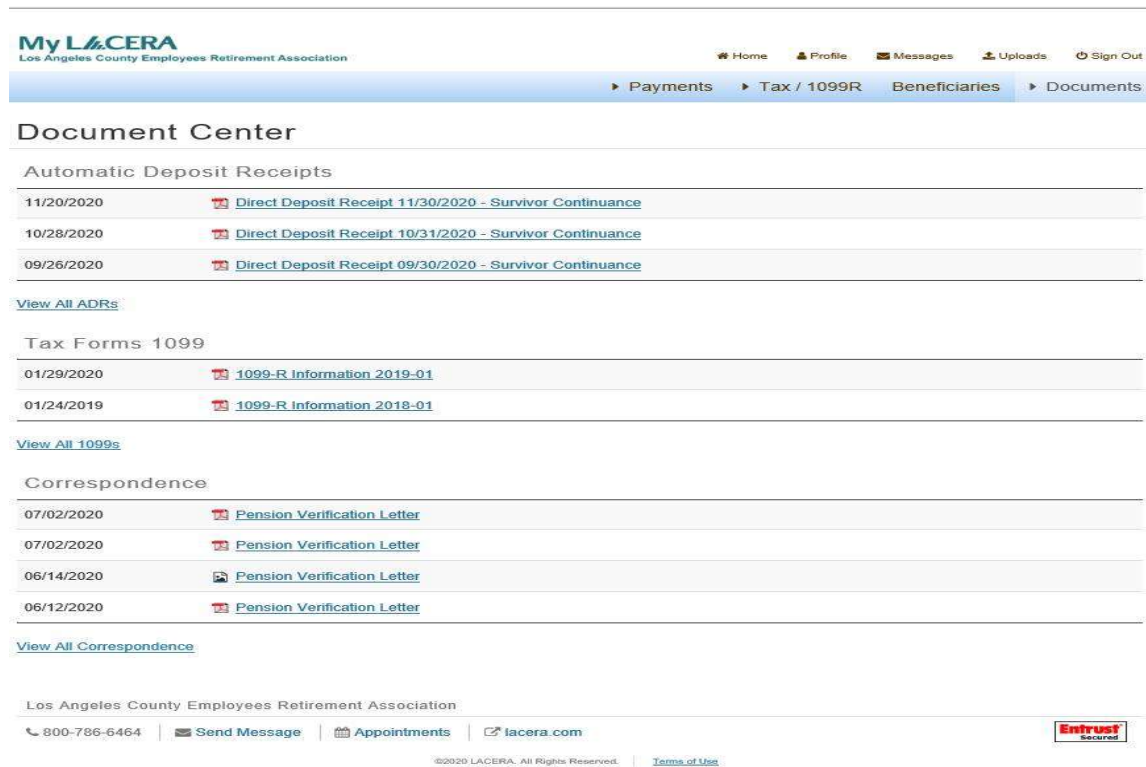
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How does this work? Through a planned campaign developed by Communications, we will let members know that the new option already exists. Members registered to access My LACERA already can access documents online. Those not already registered, but interested, will be asked to register for My LACERA, either through self-registration by visiting LACERA.com and walking through the registration steps online or by calling the Member Services Call Center where a Retirement Specialist will assist members with registering for My LACERA. Once registered successfully, the member will receive an email to confirm their email address is valid and informing them they may begin accessing My LACERA. For additional security, LACERA also employs a third-party application to identify invalid email addresses.

Each month registered members are sent an email notifying them their monthly ADR is available for viewing and printing. Members may then log into My LACERA and select “Documents”.



“Document Center” will be selected from a drop-down menu in “Documents” and a list of documents uploaded to My LACERA will appear.



Our member will click on the recently uploaded ADR, which is available 24 hours a day for viewing and for printing.

The impact is our member immediately receives vital, confidential information that can be viewed and printed at any time. Our member does not need to store or save this document, as documents uploaded to My LACERA are never removed.

LACERA released the ADR opt out process in December and will follow with a Communications campaign to let members know about the option. We also introduced the ability of active members to opt out of their Annual Benefit Statement and all members may now opt out of receiving our quarterly newsletters by mail.

In January 2021, LACERA upgraded the My LACERA portal to allow members to opt out of ADRs, Annual Benefit Statements and Newsletter via My LACERA.

Risk Based Controls to Prevent Overpayment of Benefits

LACERA employs a number of internal controls to help us make sure our members are alive and well and receiving their benefits. One of these controls has been to monitor the return of undeliverable ADRs to alert LACERA whether a payee remains alive and well. Our process has been to send a series of letters when return mail is received to alert members we are receiving returned ADRs. Member Services proactively calls members after the return of the 2nd ADR to attempt to contact our member. If unsuccessful in contacting our member to update their mailing address, then upon the return of the 3rd ADR a hold is placed on our member's account until we can verify the well-being of the member and ensure whether or not the member is receiving their LACERA benefit.

When transitioning members to electronic delivery we will mimic the physical return mail process and monitor the undelivered email notifications as well as the login frequency of members to My LACERA. When electing the electronic delivery method, members will be asked to acknowledge or attest that we will monitor their login frequency and are advised that should we see a period of inactivity we will reach out to verify their well-being via a variety of methods. If unsuccessful after multiple and varied attempts to reach the member, LACERA may suspend their account until we can verify their status. We have included a screenshot of this attestation below:

Document Delivery Options

Select your document delivery option to either "Paper Mail" or "Paperless".

Document Delivery Status

<input checked="" type="radio"/> Receive All By Mail	<input type="radio"/> Receive All Paperless
Annual Benefit Statement	<input checked="" type="checkbox"/> Paper Mail <input type="checkbox"/> Paperless
Newsletters (Spotlight or Postscript)	<input checked="" type="checkbox"/> Paper Mail <input type="checkbox"/> Paperless
ADR – Service Retirement Benefit	<input checked="" type="checkbox"/> Paper Mail <input type="checkbox"/> Paperless

Acknowledgement

I hereby certify by electing to electronically receive the documents indicated above, LACERA will no longer mail these documents to me, but instead will place them in the My LACERA Document Center and notify me via email and/or SMS (text) when the document is available for review.

In the event I have chosen to receive Automatic Deposit Receipts (ADR) electronically, I understand LACERA has processes in place to monitor my account activity on My LACERA as part of our security protocols and may periodically contact me to ensure I am receiving my benefits. We encourage you to periodically login to My LACERA so we can ensure you are receiving this important information.

Before proceeding, please verify the following contact information:

Contact Information	
Phone	(626) 555-1212
Cell	No Cell Phone on file
Email	futureisp@lacera.com

If any of the above contact information is incorrect, please [change the information on your My LACERA Profile](#).

By checking this box I acknowledge the information above and authorize LACERA to make the changes to delivery of the documents above as indicated.

Members who call the Member Services Call Center to opt into electronic delivery will be asked to verbally agree to the attestation as well.

We also have other mitigating controls which include employing a third party vendor to notify us on a monthly basis of any reported deaths as well as other periodic audits and tools to mitigate the risk of unreported deaths and overpayment of benefits.

Internally Generated Correspondence and Documents

Given the challenges we currently face due to the pandemic and the overarching need to provide timely and safe service to our members, we will be making a concentrated effort to encourage members to receive internally generated correspondence and documents electronically.

We will be taking a two pronged approach to preparing for this conversion. The first step will be to convert all confirmation of documents received letters to be sent electronically by default for any member who has a valid email address. These letters only acknowledge that a document has been received and we are working on processing the document. For example, LACERA sends out approximately 4,000 confirmation letters for Retiree

Healthcare per month from January – February and 1,300 per month in the off season. We also send out confirmation letters acknowledging receipt of certificates, account changes received by mail or uploaded through the portal. This transition should be complete by the end of February.

The second approach will be to allow members to opt in to receive all correspondence through the portal. Once this choice is made, a member will receive an email notification that they have a document for review on My LACERA. This will be in effect for all correspondence except those documents that are excluded from electronic delivery only. It is expected that this option will be available by the end of March (members will have the ability to opt back out of electronic delivery at any time).

Once this option is available we will begin to promote it at every opportunity we can when we interact with members. This will include:

- 1) Adjusting LACERA.com to encourage members to sign up for electronic delivery through the My LACERA Document Center. The notice will encourage members who are not yet registered for My LACERA to sign up now. It will also provide instructions to members on how to contact LACERA to request we mail the documents to them. Additionally, the instructions will advise members on how to return the documents to us; documents that require a signature can be printed, signed, scanned, and uploaded to LACERA, or mailed back to LACERA physically.

NOTE: In the future, the team will be exploring and providing updates on the ability to sign documents electronically or make online elections through My LACERA for documents like contracts, claim forms, and retirement elections.

- 2) LACERA will revise all confirmation letters and emails sent to members when they make a request to explain that members can opt to receive all future documents electronically through My LACERA.
- 3) For all members who have a valid email account, when a document becomes available the member will receive an email alerting them a document has been uploaded and is ready for viewing in the My LACERA Document Center. This will include an encouragement to sign up for My LACERA if they have not already done so.
- 4) Each document sent to the member will also include instructions for how that document can be completed and returned to LACERA.
- 5) If a member makes a request through the Member Services Call Center or during a Member Service Center one-on-one, the Specialist will review the available delivery options with the member and assist them with registering for My LACERA if they are not yet registered. Members will be encouraged to sign up to receive documents via electronic delivery.

Educational Campaign

Communications is leading the Member Operations Group and Systems effort by working to develop a yearlong education campaign to notify members of the opt in options. The campaign will have a dual focus. Communications is focusing on members without a My LACERA account, to promote the benefits of registering with My LACERA, and there will also be a targeted campaign for members who are registered on My LACERA.

For those who have not yet registered for My LACERA, Communications will be introducing an online video on LACERA.com to illustrate the purpose and benefits of registering for My LACERA, which includes the option to opt out of some mailings. Emails and mail inserts promoting registration are underway, as are articles in the Postscript and Spotlight quarterly newsletters.

The Member Services and Retiree Health Care Call Center Specialists will continue to encourage My LACERA registration, which will be enhanced with additional scripting from the Communications Division. This effort will include talking points for our Specialists during counseling sessions, an increased effort to promote My LACERA, and an increased effort to encourage members to provide their email contacts so we can increase our ability to reach members electronically.

While targeting members who have registered with My LACERA, Communications has a yearlong campaign ahead to encourage registered members to consider the opt in paperless feature by pointing out the potential benefits of going paperless. Additionally, there will be weaved throughout the year, time sensitive opt in campaigns to create a sense of urgency to have members opt in to receiving documents electronically. As with those who have not yet registered, emails, mail inserts, and articles in our quarterly newsletters will be released as the paperless initiative benefits grow.

The Systems and Communications Divisions are working together to acquire statistics to measure the education campaign's effectiveness and will consult with the project participants to adjust the communication plan if needed to ensure success. They are also undertaking a review of LACERA's forms to see that we are collecting information such as email addresses and cell phone numbers to support the success of the paperless initiative.

Paperless Payments

Ninety-seven percent of LACERA payees are enrolled in and receive their monthly benefit payments by direct deposit (Automated Clearing House-ACH) while three percent of our monthly payees still receive physical checks. All 70,473 payees are mailed either a check or an ADR. While most LACERA payees (including retirees and survivors) have enrolled in direct deposit, there are a significant number who have chosen not to, or are unable to elect this option and/or have chosen to continue receiving paper checks. In recent years, we have encountered multiple challenges with paper checks that range from natural disasters, errors with the vendor, and issues with the U.S. mail. There were also issues that affected our international population because of COVID-19.

Whereas we are able to begin the paperless correspondence initiative described above, addressing paperless payments will require additional planning and innovation.

Electronic funds transfer (also known as ACH or direct deposit) remains the preferred method of payment as it is reliable and secure and is the only option we offer new retirees. However, this is not a viable option for all our payees and, in rare cases; we still allow payment by check.

In order to provide a more secure alternative to those currently receiving a check, we are exploring the use of a prepaid payment card. We are working with Financial Accounting Services Division (FASD) to determine which financial institutions offer the best benefit to our members and our organization.

Of the three percent of payees that have not enrolled in direct deposit there are two groups of payees: domestically and internationally residing payees. For domestically residing payees that either cannot or choose not to enroll in direct deposit we are exploring a prepaid payment card that will be sent to these payees and recharged with funds each month. This manner of payment is currently done with the State of California to pay Unemployment Insurance and Worker Compensation payments and pension benefits issued to internationally residing members by the California State Teachers Retirement System (CalSTRS).

We also have just over 200 internationally residing payees and twenty-nine of these payees are mailed a check. Mailing checks to internationally residing members has presented issues of timeliness. The COVID pandemic has highlighted the need for a more reliable manner of payment to our international payees. At times during the pandemic, countries would not accept mail from the US Postal Service. In other instances, due to health conditions in countries in which members reside, the countries would not allow the delivery of the checks. For international payees who did not establish a US banking relationship for direct deposit before relocating abroad, we are exploring a secondary option to transfer retiree benefits directly to international banks, possibly by wire.

As we collect more information about options available for domestic and international payee paperless payments, we are working with the Executive Office to determine our best course of action and will provide your Board with full details in the future.

In the future, we will explore paperless payment solutions also for:

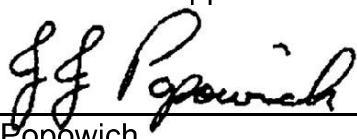
- 1) One time payees such as withdrawing members and beneficiaries receiving one time payments.
- 2) Non-member payees receiving spousal and child support

Conclusion

The COVID-19 pandemic has created unique challenges in being able to provide timely and safe service to our members through traditional channels such as mailing correspondence and documents to our members. Online access to documents has been a common offering by financial institutions for many years. Increasingly, members have been asking for these options for some time, and we believe now is the time for LACERA to take advantage of advances in technology to offer these services to our members.

The Paperless Initiative will significantly improve service to our members. It will allow members to access correspondence directly through their My LACERA portal accounts. As a result, members will receive important documents in a timely manner and can access them at any time. It will reduce security risks as well as mailing costs to LACERA. It also alleviates ongoing concerns during COVID-19. While we recognize all these benefits, we also recognize that not all members are comfortable with technology and prefer to continue receiving paper correspondence. For these members we will provide them the continuing option to receive documents by mail.

Reviewed and approved:



JJ Popowich

Assistant Executive Officer

c: Santos H. Kreimann
Steven Rice
JJ Popowich
Cassandra Smith
Bernie Buenaflor
Carlos Barrios
Cynthia Martinez
Kathy Delino
Richard Bendall
W. Louis Gittens

Prepaid Debit Card Program



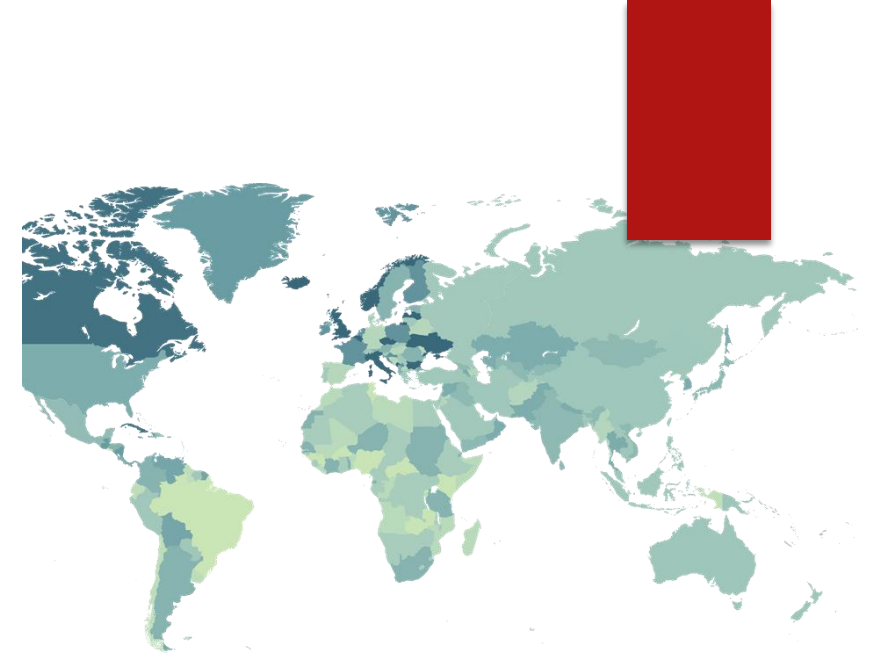
Challenges

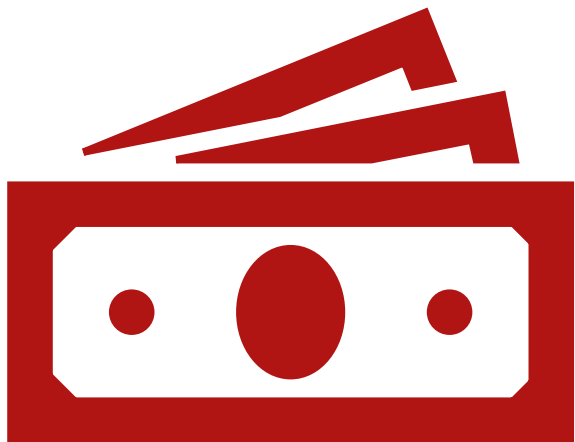
- ▶ COVID – 19
- ▶ Accommodate members who are reluctant to establish direct deposit
- ▶ USPS delivery issues and the impact it has had on LACERA
- ▶ Delivery of payment to foreign payees via U.S. mail
- ▶ Lost and/or stolen paper checks
- ▶ Printing vendor



Foreign Payees

- ▶ 228 foreign payees' total
 - ▶ 195 direct deposit
 - ▶ 33 currently receiving paper checks
- ▶ Total amount of foreign net payments: \$544,717.79
 - ▶ Paper check distribution net amount approximately \$53,521.88





Benefit Payment Options

WHAT ARE THE BEST PAYMENT OPTIONS
FOR LACERA MEMBERS?



Direct Deposit



Primary
option



Convenient



Least
expensive



Western Union Business Solutions

▶ PROS

- ▶ ACH/EFT payment
- ▶ Funds are paid in local currency
- ▶ 1% - 1.5% foreign exchange rate fee
- ▶ Alive and Well Verification Service

▶ CONS

- ▶ \$500 monthly Core Platform Subscription fee
- ▶ Slow response time for member's issue requests
- ▶ Limited ACH/EFT



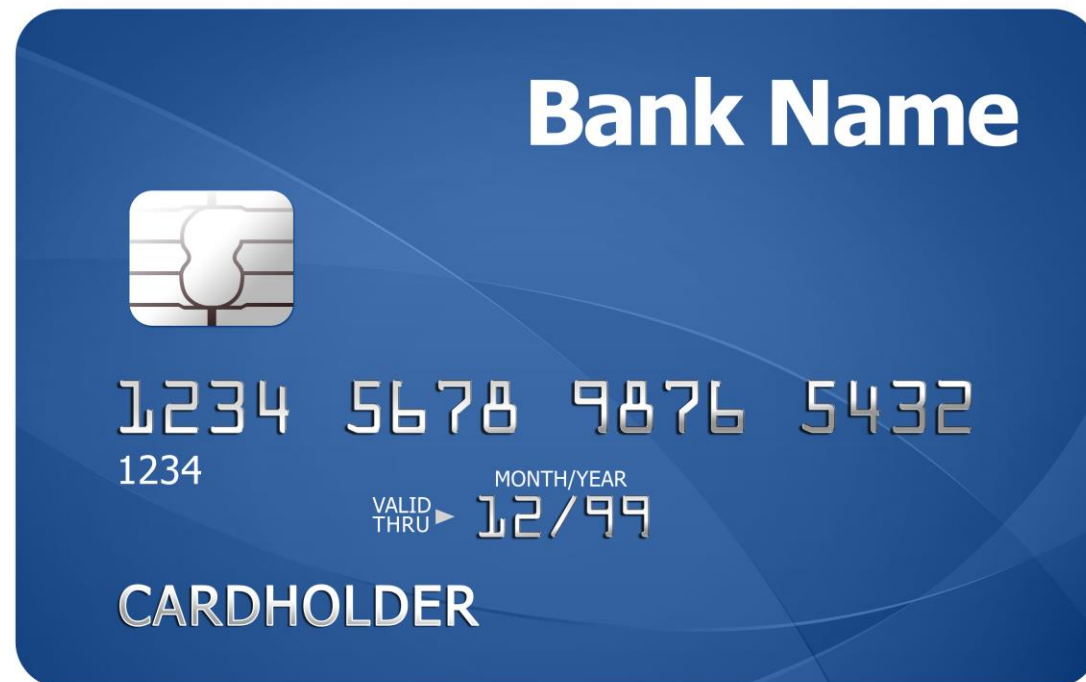
Prepaid Debit Card

▶ PROS

- ▶ Great secondary option
- ▶ Reduced risks and cost
- ▶ Convenient

▶ CONS

- ▶ Possible minimal fees
- ▶ Lost or stolen cards



What are our Peers doing?

- ▶ COVID – 19
- ▶ Quick implementation of program
- ▶ Smooth introduction and transition into new program

CALSTRS[®]



Cost of Program

- Interchange cost & floating
- Minimal cost to LACERA and member



R *request*

F *or*

P *roposal*





Questions



**FOR INFORMATION ONLY**

January 24, 2022

TO: Operations Oversight Committee
Alan Bernstein, Chair
Herman B. Santos, Vice Chair
Keith Knox
Antonio Sanchez
JP Harris, Alternate

FROM: Luis Lugo, Deputy Chief Executive Officer *LL*
JJ Popowich, Assistant Executive Officer *JJ*
Laura Guglielmo, Assistant Executive Officer *LG*

FOR: February 2, 2022 Operations Oversight Committee Meeting

SUBJECT: **LACERA OPERATIONS BRIEFING**

The purpose of this briefing is to share insights on staff and divisional activities within LACERA's Operations and Administration components. We'll provide updates on goals, including the status of our Strategic Plan Goals and Operations Improvement initiatives. Many of the items highlighted may recur in subsequent briefings or may result in a future comprehensive Operations Oversight Committee (OOC) presentation.

Update on Our Focus on Strategic Plan Goals and Operations Improvement

The Workgroups focusing on the top four Strategic Plan goals continue to meet regularly to move our goals forward. Here is a summary of the status of their efforts:

- **Case Management Project Update:** The Case Management System Request for Proposal (RFP) was approved by the Board of Retirement (BOR) and published on lacera.com on October 6, 2021. On October 29, 2021, LACERA held a virtual vendor conference to provide detailed information to all vendors that had submitted their official intent to respond to the RFP and had signed a Non-Disclosure Agreement. Fifty-five representatives from seventeen companies attended the conference where LACERA technical staff and subject matter experts reviewed the three processes that are included in Phase I of the project, as well as LACERA's Enterprise Pension Administration Architecture. The LACERA team received 13 vendor proposals on November 19, 2021. We are reviewing vendor proposals and expect to select a list of finalists by January 31, 2022, and a final vendor by February 14, 2022.
- **Retirement Estimate Redesign Project:** The new Retirement Application and Summary is on hold pending the full re-opening of the Member Service Center (MSC). The original plan for the redesigned application, which can best be

described as an informative retirement prospectus designed to provide members with all the information, they need to make an informed decision about their retirement, was to test the document and collect feedback from members that would be used to refine the new document and process before implementation. The team is working on plans to begin testing the new application in the Member Service Center.

Phase II of this project will be to develop the on-line election process. We will set a deadline for the completion of Phase II as we near the end of Phase I.

- **PEPRA Implementation:** This workgroup continues reviewing all the progress made to date on the implementation of the Public Employees' Pension Reform Act of 2013 and subsequent updates passed since then. The Workgroup's focus is to address County payroll code issues with the Auditor-Controller (AC). As you may recall, for LACERA to readily assess what portion of an employee's total compensation is pensionable or not, the payroll code 099 must be further dissected so it is easier to identify the pay codes that are embedded in this code.

There are no new updates to this project as the County is in their year-end "quiet period." On October 15, 2021, LACERA and the AC team met to discuss our request for the County to break apart the 099-pay code so that each pay pensionable earnable pay code is reported to LACERA separately. LACERA was able to provide the AC with a clear explanation of what our challenges are and why we needed the pay codes reported individually. The AC did acknowledge that breaking up this pay code would not be feasible as it is an embedded part of the payroll system architecture. However, we have a commitment from the AC to make some changes to the files that they provide us that may give us some greater insight into changes made to a member's payroll during a pay period. Additionally, the team has agreed to share examples with the AC and work jointly as a team to find solutions. The key takeaway from the meeting is that we continue to work well together and both sides understand that we must be able to calculate the member's pensionable earnings to the penny. The team will be reaching out to the Auditor-Controller team before the end of January to restart talks on how we can address these problems.

There are no new updates on the Workgroup focusing on the redesign of the Annual Benefit Statement (ABS). Our current statement only supports legacy plan members and is not supported for PEPRA members. Considerable progress was already made on the redesign efforts by the Communications team. We are working to get a better timeline when we can bring an RFP to the Operations Oversight Committee.

Progress Update on the “100-Day Management Report to the Trustees of the Board of Retirement and Board of Investments”

This section will discuss some of the efforts in place to move forward on the recommendations in the 100-Day report. It may not address all progress but will focus on certain goals.

- **Communications: LACERA.com Statistics and User Analytics:** In the six months since we launched the new LACERA.com, traffic and first-time visitors have stabilized, and we can see general trends emerging. However, we still believe there will be an increase in traffic now that the winter holidays are over, and March Madness is here.

Below are supporting statistics covering 4th Quarter of 2021.

Jump in User Traffic

First Time Visitors	Traffic	Average Visitors	Traffic
October	34,765	October	1,299
November	25,269	November	1,031
December	26,519	December	1,060
Total	86,553	Average	1,130

The highest number of visitors for this month was 2,956 on December 16, 2021. There were moderate declines over the holidays, but this is considered normal. In December, we had a total of 133,866 page views and 1,667 people visited the sign-up page for My LACERA. These numbers are consistent with previous months, demonstrating the stability of our user-base and platform.

Below are the top five pages from the month of December.

Top Five LACERA.com Page Views

LACERA Pages	Views
Home Page	46,009
Retiree Listings	4,049
Newsletters	2,565
Board Meetings	2,048
Plan D Calculating Your Retirement Allowance	1,933

In addition, we are tracking the various ways members are consuming our content using the home page as our main focus: it's our most heavily trafficked page and it directs users around the site. Here is a breakdown on what people are clicking on from the six tiles on the home page and the "I Would Like To" Feature within the carousel:

Home page Tile Views

LACERA Pages	Views
My LACERA	1,667
Pre-Retirement Workshops	923
Careers	984
Investments	717
Annual Reports	741
Forms & Publications	140

**Home page "I Would Like To" Views
(Tiles updated for December)**

LACERA Pages	Views
Apply for Survivor Benefits	598
Change My Tax Withholdings	465
Attend a Retirement Workshop	923
Change My Address/Name*	3
Print out a Payday Calendar	952

*Due to the low number of page views that "Change My Address/Name" has received, we will be replacing this topic.

Update on Other Projects

Our goal is to continue to keep the Committee updated on other cross-functional teams that are working hard to provide improvements to LACERA's operations and the services we provide to our members.

- COLA Bank Retroactive Changes:** In April of 2021 the Board of Retirement approved corrections to the COLA Accumulation Bank, which involved making retroactive corrections, recalculating benefit allowance amounts, and paying members retroactive benefits due to a discrepancy discovered in the COLA Accumulation bank. The first phase has been completed and members received their retroactive payments on July 15, 2021, via Direct Deposit.

The second phase of cases was completed, and members were notified of the retroactive payments in early September and payments were issued September 15th. The third phase of the project has been completed: 312 survivors of members who passed away prior to the COLA Accumulation Bank correction were paid a retroactive benefit owed to the deceased member. The retroactive payment was paid to the survivor via special one-time payment and was paid on November 15, 2021.

To date, LACERA has paid out just over \$3.7 million in retroactive COLA earnings. Of the 9,672 member and survivor accounts affected, 8,178 accounts have been systematically resolved, which represent all members and survivors currently in a pay status. The manual phase of the project, which includes 1,494 cases, began on December 16, 2021. New spreadsheets have been developed and tested for the manual phase of the project. The spreadsheets will now undergo QA testing to ensure their integrity. Staff have begun manually computing COLAs and will begin making payments as soon as possible.

COLA Retro Project - Status as of 11/17/2021:	Last Report 9/10/2021		Current Report 01/21/2022	
Row Labels (Type, Status, Detail, Outstanding)	Count	%	Count	%
Completed				
(Member Paid - No Further Action Required)	7,864	81%	8,178	85%
First Notification Sent				
(Still Processing - Not Paid)	822	9%	508	5%
Active Payee - Member	439	5%	439	5%
Paying Split	206		206	
Active Payee - Survivor	383	4%	69	1%
Paying Split	9		9	
Pending Notification				
(Staff is Reviewing and Processing)	986	10%	986	10%
No Active Payees (Deceased)	726	7%	726	7%
Active Payee - Member	145	2%	145	2%
Paying Split	3		3	
Active Payee - Survivor	115	1%	115	1%
Paying Split	6		6	
Grand Total	9,672	100%	9,672	100%

Systems and Benefits have been reviewing the root cause for the manual processing and are developing plans for how to redesign some portions of our

pension administration system to help alleviate the need for manual processing for future projects.

As we discussed previously, we will be shifting focus from the COLA project to the Alameda Project. We will focus on the remaining cases in the COLA project once we have addressed the Alameda Project. By way of a reminder, this decision was made to limit the amount of overpayments and associated interest that may have to be collected from some Alameda impacted members.

- Alameda Project Update:** In 2020, the California Supreme Court issued its decision in the Alameda County Deputy Sheriff’s Association v. Alameda County Employees Retirement Association (“Alameda”) challenging the constitutionality of changes passed in 2013 Assembly Bill 197, which amended the definition of compensation earnable, specifically excluding pay items previously included such as unused vacation, termination pay, in-kind payments, and payments for services rendered outside of normal working hours. The Court upheld constitutionality of the Legislature’s actions. In February of 2021, the Legal Office notified the Board of Retirement that it had completed an initial review of LACERA legacy pay codes and determined that Standby Pay did not meet the expanded understanding of compensation earnable because of the Alameda Case. It was also determined that LACERA would have to modify any member records where members had paid contributions on these earnings on or after January 1, 2013, resulting in refunds of contributions to members. Additionally, changes would be made to any members who retired on or after January 1, 2013, if their FAC included earnings for these pay codes. These members would have their benefits adjusted prospectively from the August 30, 2020, Supreme Court decision.

The team working on this project have identified five groups of members who will be impacted by this project. We have created the chart below to keep you up to date on the progress of this project:

Alameda Project Status	Current Report 12/21/2021	
Row Labels (Type, Status, Detail, Outstanding)	Count	%
Pending Notification (Staff is Reviewing and Processing)	4,253	
Active	3,078	72%
Retired	847	20%
<i>Legal Split</i>	-	0%
Deferred/Inactive	219	5%
Deceased	53	1%
Withdrawn	56	1%
Notification Sent	-	
Active	-	0%

Retired	-	0%
<i>Legal Split</i>	-	0%
Deferred/Inactive	-	0%
Deceased	-	0%
Withdrawn	-	0%
Completed (Member Paid/Collection Scheduled)		
Grand Total	4,253	100%

The team will begin by processing the active member category first. All but 100 members, who have contracts and other unique issues with their accounts, are scheduled to be sent a notification in January about the impacts to their accounts.

- CORE Benefits Training Class Preparation:** This 10-month series of courses is the key first step to training staff to fill the large number of vacant positions we have in Benefits and Member Services. We are excited to announce that on January 6, 2022, we welcomed our first CORE Benefits training class since the pandemic. This first class consists of 13 trainees who are destined to work in Benefits and Member Services once they complete the class. Most are new to LACERA but about three are transitioning from other LACERA divisions. Human Resources is finalizing arrangements for our next class which will begin on February 1, 2022. We expect this class will be between 10 and 14 individuals as well.

It takes a village to train and prepare our new staff members. Once Human Resources has gotten everyone cleared and ready for class the focus shifts to Quality Assurance, Benefits, and Member Services who work together to train the new hires. Quality Assurance handles the classroom training and oversees the quality control of any work completed during the production periods. Both Benefits and Member Services are contributing experienced staff who will work alongside Quality Assurance Auditors to review 100% of the new hire’s production work. Over the next 10 months these two cohorts will alternate between classroom and production work, which will be conducted in-person and remotely. While one class is on-site, the other will be working remotely. This takes a tremendous amount of coordination and planning and we would like to recognize Bernie Buenaflor, Dana Brooks, Mary Arenas, and all of the QA staff for their efforts. Once both classes are fully onboard, we will begin discussions about making arrangements for the next new hire class later in this calendar year.

- Retroactive Payroll Adjustments:** We have reported over the last year about our ongoing efforts surrounding retroactive payroll adjustments and ensuring that the correct contributions are taken at the time the adjustments are made. You may recall that we reported the County Auditor-Controller was not deducting contributions from most retroactive adjustments. We brought this to the Auditor-Controller’s attention and, as we reported a few months ago, they made changes

to their process and are updating their programming to ensure that contributions are taken from retroactive payroll adjustments. These changes took place in mid-2021. We recently tested retroactive payroll adjustments for a recent pay period and confirmed that the process changes and updates the Auditor-Controller made are working and contributions are being deducted from retroactive adjustments. We plan on randomly testing a few more months of payroll data and then will move to an annual test to ensure that the contributions continue to be deducted.

The next related project is looking at a large backlog of previously identified retroactive payroll adjustments that have been identified over the last few years. We will share our proposed plan for addressing these shortly.

- **Information Systems:** Our Systems division continues to engage in various process improvement projects and initiatives aimed at securing our network, data, application, and overall system infrastructure. Three current initiatives led by Systems include:
 - Disaster Recovery (DR) 2021: Phase II – In January 2021, LACERA successfully completed Phase I of Disaster Recovery 2021: the first Disaster Recovery exercise since 2016. This exercise included recovering all member support applications and several applications that had not previously been recovered in any DR exercise. Building on this success, LACERA successfully completed a second DR exercise with a broader scope and improved recovery metrics in December 2021.
 - This second Disaster Recovery exercise of 2021 included all applications used by LACERA staff members. Representatives from all 15 divisions participated in the exercise, and 115 applications and websites were successfully recovered. Additionally, the LACERA DR team improved two key metrics for disaster recovery: Recovery Time Objective (RTO) - the amount of time it takes to recover systems and data and Recovery Point Objective (RPO) - the age of the backup that is used for recovery. In January 2021, our RTO was 75 hours; in December 2021, it was 5.5 hours. In January 2021, our RPO was 132 hours; in December 2021, it was less than 24 hours.
 - ***Information Technology (IT) Service Management Improvement Project*** – Approved in the Fiscal Year 2020-21 budget adjustments by the BOR, the Systems Division selected ServiceNow, a cloud-based IT service management tool, to improve how the division manages IT incidents, problems, requests, and knowledge. Phase I of the ServiceNow implementation will provide automation and tracking for all requests coming into the Systems Helpdesk. Future phases of the project will introduce hardware asset management as well as advanced automation for routine IT requests.

As of January 20, 2021, the configuration of ServiceNow has been completed, LACERA's production instance of ServiceNow is up and running, a soft rollout to all Systems staff members has been completed, and the PMO has transitioned the ownership of the ServiceNow application to the Systems Infrastructure Team. The next steps include a soft rollout to selected LACERA staff members followed by a soft rollout to all LACERA staff members. We expect Phase I of the project to be completed by the end of February 2022.

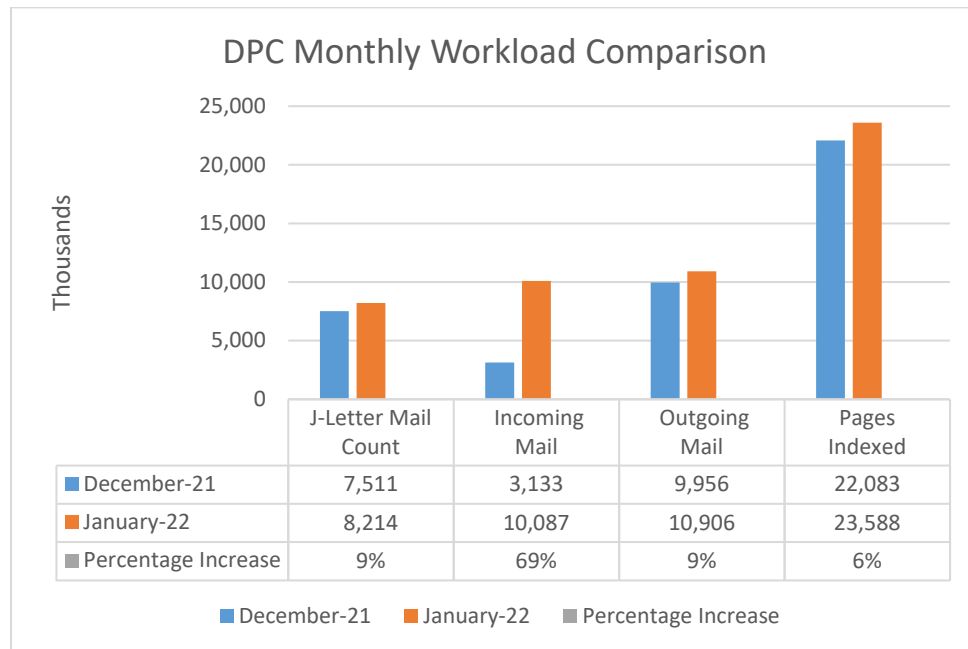
- **Enterprise WiFi Project** – Approved in the Fiscal Year 2020-21 budget adjustments by the BOR, the Systems Division is currently installing an enterprise WiFi network.

As of January 20, 2022, all fiber, cables, access points, and switches have been installed on all LACERA floors. We are currently configuring and testing our segmented networks and expect to complete the project on January 31, 2022.

- **Administrative Services Division:** Our Administrative Services is a support division consisting of the Budget Unit; the Document Processing Center; the Procurement Unit, including Purchasing, Facilities, and Renovations; and the Risk Management Unit, which includes Business Continuity, Business Insurance, Contract Management, Health and Safety, and Records Management. Over the last month the division has led and supported the following initiatives:
 - The Administrative Services Division has appointed Martin Sandoval as the Administrative Services Officer. Mr. Sandoval has many years of experience in procurement and contracting with Los Angeles County. He will oversee the Procurement, Facilities and Renovation, and Risk Management units.
 - The Budget Unit completed meetings with all LACERA Division Managers to discuss their divisional needs and their proposed 2022/23 budgets. They are now compiling that data by division and have scheduled meetings between the Executive Office and each Division Manager for additional discussion regarding their divisional needs. These meetings are scheduled for this month.
 - The Facilities Unit continues to coordinate the 7th-floor renovation project for the Systems and Accounting Divisions. The targeted completion date for this project is June 30, 2022, barring any supply-chain issues.
 - As a result of the revised guidelines from the Los Angeles County Department of Public Health requiring companies to provide medical grade or N95 masks, LACERA has purchased and are providing N95 masks for LACERA staff who request them and who are working onsite. The Health and Safety Unit has established procedures for distributing the masks weekly to staff onsite and has communicated those procedures to all staff and management. They also

continue to conduct weekly COVID-19 health and safety inspections to identify potential hazards related to COVID-19 and ensure adherence to all state and federal health and safety laws and requirements.

- The Document Processing Center (DPC) is in full swing for their March Rush. This period runs from December to March. However, the greatest increase in work comes after the Medicare Part B Premium reimbursement mailing by Retiree Healthcare. This year, the Medicare Part B mailing went out on December 30, 2021. The chart below shows the immediate impact of the PARTB annual project on the DPC workload.



- In addition to the numbers represented on the graph, the number of documents not included in the graph that were indexed from the Member Portal were:
 - December 2021 - 261 documents
 - January 2022 - 856 documents
- **Financial and Accounting Services Division** applies sound controls, accounting standards, and compliance with regulatory and statutory financial reporting mandates to LACERA’s assets, member payroll, and organization-wide financial transactions.
 - *Financial Statement Preparation:* The Government Code requires that LACERA prepare annual financial statements (AFS), obtain an external audit opinion of such, and transmit these statements to the plan sponsor

(i.e., Los Angeles County). The fiscal year ended June 30, 2021 Annual Comprehensive Financial Report (ACFR) was reviewed by staff and finalized by the Communications Division, shared with our strategic partners and posted to lacera.com in mid-December. In addition, staff completed their review of the Popular Annual Financial Report (PAFR) which was provided to all members with the December newsletters.

- *Actuarial Valuation Reports:* The Government Code requires that valuations of the Pension Plan be performed at least once every three years. The Board of Investment's 2013 Retirement Benefit Funding Policy requires more frequent valuations which are set to be completed annually. These reports are prepared to determine employer and employee contribution rates and to measure the funded status of the Pension Plan. In addition, the valuation report provides information that is used to prepare the Governmental Accounting Standards Board (GASB) Statement Number 68 financial statement reports. Plan sponsors use the GASB reports to obtain information required for their financial statement disclosures.

The annual retirement benefits valuation report is completed by Milliman, LACERA's consulting actuary. The June 30, 2021 valuation report was accepted at the December Board of Investments meeting. The Board of Investments also adopted recommended employer contribution rates for all plan tiers and employee contribution rates for PEPRAs, General Plan G and Safety Plan C. Staff is working with the Los Angeles County Chief Executive Office to communicate the results of the June 30, 2021 valuation to the Board of Supervisors, tentatively scheduled for their mid-March meeting, with a recommendation that the County implement the employer and employee rates no later than September 29, 2022.

- *Travel/Expense/P2P Software:* LACERA has procured "Certify" software created by Emburse, an expense management and accounts payable automation provider. Staff is currently implementing the Certify travel and expense report management software and is working with Certify representatives to implement features such as travel booking, receipt capture, expense linking, streamlined workflow approval, as well as a streamlined procurement and payables process that leverages optimized character recognition to reduce manual data entry. With Certify, LACERA may also begin making payments via ACH or virtual credit card to vendors. Staff interrupted the implementation process for a few weeks to develop several internal case studies that will serve as examples the vendor can use to understand LACERA's internal processes. The case studies will help identify the business needs so they can be satisfied by the new workflow. This project strategically aligns with Systems' goal of upgrading the technology of the organization and will replace the manual processes and controls with the latest technology.

- *Custodian Search*: In accordance with LACERA's Procurement Policy, vendor contracts for investment and custodian services, and treasury and banking services must be re-bid every ten years. LACERA's current custodian, State Street Bank, was hired in July 2013. FASD is working closely with the Investment Office to conduct a formal request for proposal (RFP) process. The Board of Investments approved the minimum qualifications at their December meeting. In preparing the RFP, staff are charged with developing questions pertaining to investment accounting and banking services, seeking additional information from potential vendors. Staff will continue to collaborate with the Investment Office as this process evolves.

Attachments:

Public Records Request Update

Report of Felony Forfeiture Cases Processed

DATE RECEIVED	REQUESTER	DOCS REQUESTED
12-21-20	D. Wells, Law offices of Gregory W. Smith	<p>Requested 14 categories of records, including operations of LACERA, and hiring of employees and vendors.</p> <p>Request 11 - All video recordings and audio recordings of the April 9th, 2020, Board of Retirement meeting; the June 3rd, 2020, Board of Retirement meeting; and the June 25th, 2020, Audit Committee meeting.</p> <p><i>On December 21st, 2020, sent the <u>links to video and audio</u> of the June 3rd, 2020, Board of Retirement meeting, and the June 25th, 2020, Audit Committee meeting.</i></p> <p><i>On December 28th, 31st, 2020, and on January 11th, 2021, sent a <u>DVD of the April 9, 2020, Board of Retirement meeting via FedEx Standard Overnight Delivery.</u></i></p> <p>Request 10 - Requested information regarding Udemy contract.</p> <p><i>On January 15th, 2021, sent one (1) set of responsive documents.</i></p> <p>Request 9 - Requested information regarding Eagle Leadership contract.</p> <p><i>On January 22nd, 2021, sent one (1) set of responsive documents.</i></p> <p>Request 8 - Requested information regarding KH Consulting contract.</p> <p><i>On February 1st, 2021, sent one (1) set of responsive documents.</i></p> <p>Request 7 - Requested information regarding TransQuest contract.</p> <p><i>On February 2nd, 2021, sent one (1) set of responsive documents.</i></p> <p>Request 1 - Requested Systems related communications by CEO Santos R. Kreimann.</p> <p><i>On February 8th, 2021, sent one (1) set of responsive documents.</i></p> <p>Request 3 - Requested documents regarding hiring of Celso Templo.</p> <p><i>On February 8th, 2021, sent 11 sets of responsive documents.</i></p> <p>Time extension to the production of documents.</p> <p>Requests 2, 4-6, and 12-14 remain outstanding.</p> <p><i>On February 16th, 2021, sent one (1) responsive letter regarding extension of time and summary of production status via email.</i></p> <p>Request 2 - Requested documents and communications between CEO Santos R. Kreimann and Celso Templo.</p> <p><i>On February 26th, 2021, sent six (6) sets of responsive documents.</i></p> <p>Request 14 - Requested documents and communications sent or received by Carly Ntoya regarding James Brekk.</p> <p><i>On March 1st, 2021, sent one (1) set of responsive documents.</i></p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
		<p>Request 3 - Requested documents regarding hiring of Celso Templo.</p> <p><i>On March 1st, 2021, sent one (1) additional set of responsive documents.</i></p> <p>Request 13 - Requested documents and communications sent or received by Celso Templo regarding James Brekk.</p> <p><i>On March 2nd, 2021, sent two (2) additional sets of responsive documents.</i></p> <p>Time extension to the production of documents.</p> <p>Requests 4-6, and 12 remain outstanding.</p> <p><i>On March 2nd, 2021, sent one (1) responsive letter regarding extension of time and summary of production status via email.</i></p> <p>Time extension to the production of documents.</p> <p>Requests 4-6, and 12 remain outstanding.</p> <p><i>On March 15th, 2021, sent one (1) responsive letter regarding extension of time and summary of production status via email.</i></p> <p>Request 4 - Requested Systems related communications by or to Celso Templo.</p> <p><i>On March 19th, 2021, sent one (1) set of responsive documents.</i></p> <p>Time extension to the production of documents.</p> <p>Requests 5, 6, and 12 remain outstanding.</p> <p><i>On March 31st, 2021, sent one (1) responsive letter regarding extension of time and summary of production status via email.</i></p> <p><i>On June 4th, 2021, sent one (1) responsive letter regarding extension of time and summary of production status via email.</i></p> <p><i>On June 30th, 2021, sent one (1) responsive letter regarding extension of time and summary of production status via email.</i></p> <p>Request 6 – Requested all documents and communications by Celso Templo regarding information technology vendor solicitation process.</p> <p><i>On July 7th, 2021, sent 1,400 responsive documents.</i></p> <p>Request 2 - Requested documents and communications between CEO Santos R. Kreimann and Celso Templo.</p> <p><i>On October 7th, 2021, sent additional responsive documents to September 27th, 2021, letter via email.</i></p> <p>Request 7 - Requested documents and communications related to Transquest.</p>

DATE RECEIVED	REQUESTER	DOCS REQUESTED
		<p><i>On October 27th, 2021, sent one (1) letter and eight (8) responsive sets of documents via email.</i></p> <p><i>On November 3rd, 2021, sent one (1) additional letter and one (1) supplemental responsive set of documents via email.</i></p> <p><i>On December 10th, 2021, sent additional letter and one (1) supplemental responsive set of documents via email.</i></p> <p><i>On December 17th, 2021, sent additional letter and twenty (20) sets (three thousand ninety-seven (3,097) pages) of supplemental responsive documents.</i></p>
12-6-21	B. Giacobone Ion Group	<p>Requests information re 11/23/21 Jim Rice Investments in Partners Group Direct Infrastructure 2020 LP</p> <p><i>On December 15th, 2021, emailed response.</i></p>
12-8-21	C. Smith PEStack	<p>Requests software information as a service (SaaS).</p> <p><i>On December 16th, 2021, emailed response with one (1) document.</i></p>
12-8-21	J. Gittelsohn Bloomberg News	<p>Requests latest report on private investments aka alternative investment vehicles.</p>
12-20-21	N. Lee Preqin Ltd.	<p>Requests records as to 06-30-31 re LACERA as an investor.</p> <p><i>On December 22nd, 2021, sent email response asking for extension.</i></p> <p><i>On December 22nd, 2021, sent email response with one (1) document.</i></p>
12-29-21	B. Tolmer RPLG	<p>Request eleven categories of records related to LACERA's proposed classifications and compensations changes.</p> <p><i>On December 31st, 2021, sent email response re response date 1/13/21.</i></p> <p><i>On January 13th, 2022, sent email response and one (1) document.</i></p>
01-04-22	D. Martin Insightia	<p>Request re voting records for LACERA 7.1.21 to 12.31.21.</p> <p><i>On January 5th, 2022, sent email response and one (1) document.</i></p>
01-06-22	B. Campbell with intelligence	<p>Request full packets for 01.05.22 investment meeting.</p> <p><i>On January 7th, 2022, sent email response.</i></p>
01-08-22	V. Sayas with intelligence	<p>Request documents relating to meeting packets.</p> <p><i>On January 12th, 2022, sent email response with a link to lacera.com.</i></p> <p><i>On January 14th, 2022, sent email response and one (1) document.</i></p>
01-13-22	M. Ceballos with Intelligence	<p>Request documents re investment pools relating to RE, PE, PC/D.</p> <p><i>On January 14, 2022, sent email response with a link to lacera.com.</i></p>

REPORT OF FELONY FORFEITURE CASES PROCESSED


January 26, 2022


#	MEMBER'S LAST NAME	MEMBER'S FIRST NAME	DEPT.	CONVICTION DATE	LACERA NOTIFIED	INITIAL IMPACT NOTICE SENT	FINAL IMPACT NOTICE SENT	FINAL STATUS	DISABILITY STATUS	SERV. LEVEL
59	GONZALEZ	PAUL	PARKS	10/19/2021	11/4/2021			PEND		
57	ANTRIM	MARC	LASD	4/1/2021	5/12/2021			PEND		
56	BERK	MICHAEL	LASD	2/24/2021	4/14/2021	12/30/2021		PEND		
55	FISK	JUSTIN	LASD	2/24/2021	4/14/2021	12/30/2021		PEND		

**FOR INFORMATION ONLY**

January 12, 2022

TO: Operations Oversight Committee
Alan Bernstein, Chair
Herman B. Santos, Vice Chair
Keith Knox
Antonio Sanchez
JP Harris, Alternate

FROM: James Beasley – Administrative Services 
Supervising Administrative Assistant II

Celso Templo – Systems Division 
Information Technology Manager I

FOR: February 2, 2022 Operations Oversight Committee Meeting

SUBJECT: BUSINESS CONTINUITY TABLETOP EXERCISE AND DISASTER RECOVERY TEST RESULTS

BACKGROUND

On January 11, 2021, the LACERA Incident Response Team (LIRT) participated in a tabletop exercise that tested their ability to manage a crisis event, while utilizing the newly developed Crisis Response and Business Continuity Plans (BCP). This test challenged them to work cohesively together to solve realistic scenarios that would pose a risk to LACERA's overall mission. The LIRT collaboratively worked together to accomplish all the challenges that were presented to them. In conjunction with the tabletop exercise, LACERA's Systems Division conducted a three-day disaster recovery exercise. The event was designed to test our abilities to restore data services and functionality at an offsite location in a crisis event that affected LACERA's physical offices in Pasadena.

On December 2, 2021, LACERA held another business continuity tabletop exercise that launched a disaster recovery exercise that tested LACERA's ability to restore LACERA's Systems. These two related exercises had different priorities. Business Continuity focused on the resumption of a critical business functions and tested the ability of our essential business partners in a "doomsday" situation, while Disaster Recovery focused on restoring data access and the IT infrastructure.

The participants of the Tabletop included Staff from divisions that are critical to the Member Payroll Process, and LACERA's critical business partners who are vital to ensuring the Members are paid each month. The participants included:

- Investments
- FASD
- Benefits
- Systems
- Meketa Consulting
- State Street Bank

During the Tabletop Exercise, the LIRT declared a disaster, which triggered the execution of the Disaster Recovery exercise where the Disaster Recovery Team proceeded with the recovery efforts.

TABLETOP EXERCISE DETAILS

The Business Continuity Team (BCT) and facilitators from Castellan Solutions, along with subject matter experts from critical divisions of LACERA, came together to develop a thought-provoking and challenging Tabletop Exercise. However, this time, the team turned up the heat by developing a Tabletop Exercise that focused on challenging LACERA's ability to transact our investment business and process and pay our member payroll.

The Tabletop Exercise was designed to drive open discussions around continuity strategies and provide the opportunity to walk through hypothetical scenarios in a safe space. The Exercise scenario created four separate escalating situations that required focused and immediate crisis communication between LACERA's LIRT, Board, key support vendors, stakeholders, and LACERA Members. The following situations occurred on critical dates to the payroll process.

SITUATION #1 – PAY FILE PROCESS INTERRUPTION CAUSED BY CYBER-ATTACK

- A "Zero-Day" cyber-attack has resulted in downtime to the Cloud Access Security Broker (CASB), which prevents access to the hosted Mainframe environment and the ability to create the Member payroll file to send to the custodial bank.

SITUATION #2 – CUSTODIAL BANK CORE BANKING SYSTEM DOWNTIME

- An upgrade to the bank's Core Banking System has resulted in downtime. The upgrade has caused an impact to the Funds Transfer, Lending, and Deposits functionality. The estimated downtime that impacted operations was 5-days.

SITUATION #3 – CHECK PRINTING VENDOR FAILURE

- Active shooter situation in the Check Processing Center that disrupted the vendor's operation for over 30-days, including restricted access to critical physical resources needed to process member payroll.

SITUATION #4 – FUNDING INTERRUPTION

- An earthquake has impacted Pasadena and the surrounding area. The critical staff who are authorized to conduct investment transactions (i.e., the Chief Information Officer, Deputy Chief Officer, Principal Investment Officer, and Chief Executive Officer) are inaccessible due to the crisis event and the situation escalated to a "doomsday" situation and the critical business partners must act and respond on LACERA's behalf to ensure Member payroll is processed.

Tabletop Exercise Results

The goals of this Exercise were to raise awareness of current Member Payroll processing capabilities, incident response disciplines, to review communication protocols and discover opportunities to enhance collaboration and response effectiveness. Overall, the Exercise Facilitators were impressed with the capabilities that the LACERA team had in its "arsenal" to address and overcome the scenarios presented.

Even though the LACERA participating teams scored an excellent 90/100 on the previous Tabletop Exercise in January 2021, the participating team in this latest exercise still found areas to demonstrate significant improvement in the assessment criteria sections specific to Internal Communications, Action Plan Development, Management of Incident, and Change Control.

The Facilitator provided a Post Exercise Evaluation and Executive Briefing. This report included evaluations in the areas of crisis management discipline techniques and was scored by the Facilitator. These scores were based on the performance of the participants as a cohesive team, on their response to the crisis, and the implementation of the BCP.

The areas that were evaluated by the Facilitator with Castellan were:

Area Evaluated	Score
Activation of LACERA Incident Response Team (LIRT)	100
Understanding the problem and establishing problem ownership lines of engagement	90
Communications - Media	90
Communications - Internal	90
Communications – Stakeholders (Trustees & Members)	90
Assessment of the root cause	100
Recovery location diversity	100
Action Plan development	90
Management of the incident	90
Crisis change control	100

The Facilitator provided an assessment of LACERA’s effectiveness and capabilities in handling a crisis based on his observations and the data and information provided by the participants during the exercise. Overall, the participants performed well above the Facilitator’s “normal expectations” in that they engaged with each scenario well and effectively worked as a cohesive team to address the issues presented by the Facilitator. The participants of the Tabletop Exercise received an overall score of 94 percent out of 100 percent, which is “Excellent” on their rating scale.

The following are some of the Facilitator’s observations during the Tabletop Exercise:

1. Command Team immediately identified internal and external resources to assist in identifying the causes and impacts with clear and focused discussions to identify all available options and solutions. The dialog of the team and support vendors was excellent.
2. LACERA can implement recovery location/geographic diversity with operating staff relocating to work-from-home, which allows services to be managed in numerous locations should the incident/disaster be regional. The ability to relocate Information Technology resources to the alternate data center is an option, as is to investigate reciprocal arrangements with County resources.
3. LACERA remains committed to exercising its plans on a regular basis and utilizing these exercises to drive change based on lessons learned. It is important to look at “gaps” as “opportunities” versus “gotchas.” This promotes a positive campaign for change and does not penalize/embarrass personnel for not having every conceivable risk mitigated/addressed.

Next Steps

There were a total of 17 After-Action items that were provided as a result of the exercise. All action items have been added to the Business Continuity Project Plan. The team will also be working with the Executive Office to incorporate observations made by the Executive Leadership team during the exercise. The next Tabletop Exercise is projected for late spring that will focus on testing the Divisional Business Continuity Plans.

DISASTER RECOVERY TEST

The Systems Division conducted a Disaster Recovery Exercise in conjunction with the Business Continuity Tabletop Exercise. During the BCP Tabletop Exercise, a mock disaster was declared at LACERA's building in Pasadena. This declaration triggered the Systems Division's Disaster Recovery Exercise. The objective of the exercise was to recover and test 115 critical applications utilized by LACERA Staff from the 15 Business Divisions.

Listed below are the tasks and highlights of the Disaster Recovery Results.

Disaster Recovery Results

Item	Tasks	Highlights
1	Declared Disaster	December 2nd @ 3PM
2	DR Team Restored Systems	December 2nd @6 :30 PM
3	Testing Duration	Dec 3rd - Dec 4th (Friday – Saturday) 8AM – 5PM
4	Divisions	15 Business Divisions Participated
5	Testers	37 Users Participations
6	Tested Items	115 Applications and Sites
7	Restored Recovery Time (RTO)	5.5 hours (Including 2 Hrs. of Smoke Testing)
8	Recovery Point Data (RPO)	Same Day Data (Restored from Dec 2nd 7AM Back up)
9	Developing After Action Report	Process Improvement & Lessons Learned

* Smoke Testing is usually a quick or preliminary testing to ensure that no glaring issues are present prior to the main event of a major release or start of the day operation.

Additionally, significant improvements were realized during the most recent DR Exercise that is shown in the information below:

DR Exercise Stat Differences		
	December (2021)	January (2021)
Recovery Time Objective (RTO)	5.5 Hours	75 Hours
Recovery Point Objective (RPO)	< 24 Hours	132 Hours
SME Participation	15 Business Divisions	Systems Division (Only)
# Applications Restored and Tested	115 Applications & Sites	15 Applications & Sites

- **RTO - the amount of time it takes to recover our systems and data**
- **RPO - the age of the back up that is used for recovery**

Reviewed and Approved:



Laura Guglielmo
Assistant Executive Officer, LACERA



BUSINESS CONTINUITY TABLETOP EXERCISE & DISASTER RECOVERY TEST

Presented by:
James Beasley, Administrative Services Division
Celso Templo, Systems Division

Tabletop Exercise/Disaster Recovery

Why?

/// Produce / Protect / Provide

/// Priority 1 – Initiate Payroll

/// Priority 2 - Communicate with our Business Partners

/// Prioritize – Short/Long Term Objectives



Tabletop Exercise

Testing...

// Business Continuity Plan Process

// The Ability to Transact Investment Business and Process

// The Ability to Process Member Payroll

// Communication Flow



Tabletop Exercise

Scenarios

///SITUATION #1 – Pay File Process Interruption Caused By Cyber-Attack

///SITUATION #2 – Custodial Bank Core Banking System Downtime

///SITUATION #3 – Check Printing Vendor Failure

///SITUATION #4 – Funding Interruption



Tabletop Exercise

Evaluation Scores

Area Evaluated	Score
Activation of LACERA Incident Response Team (LIRT)	100
Understanding the problem and establishing problem ownership lines of engagement	90
Communications – Media	90
Communications - Internal	90
Communications – Stakeholders (Trustees & Members)	90
Assessment of the root cause	100
Recovery location diversity	100
Action Plan development	90
Management of the incident	90
Crisis change control	100





Disaster Recovery Results



Disaster Recovery Results

Tasks	Highlights
Declared Disaster	December 2 nd , 3:00 PM
DR Team Restored Systems	December 2 nd , 6 :30 PM
Testing Duration	Dec 3 rd - Dec 4 th (Friday – Saturday) 8AM – 5PM
Divisions	15 Business Divisions Participated
Testers	37 Users Participations
Tested Items	115 Applications and Sites
Restored Recovery Time (RTO)	5.5 hours (Including 2 Hrs. of Smoke Testing)
Recovery Point Data (RPO)	Same Day Data (Restored from Dec 2nd 7AM Back up)
After Action Report	Process Improvement & Lessons Learned



2021

Nov 30 - Tue

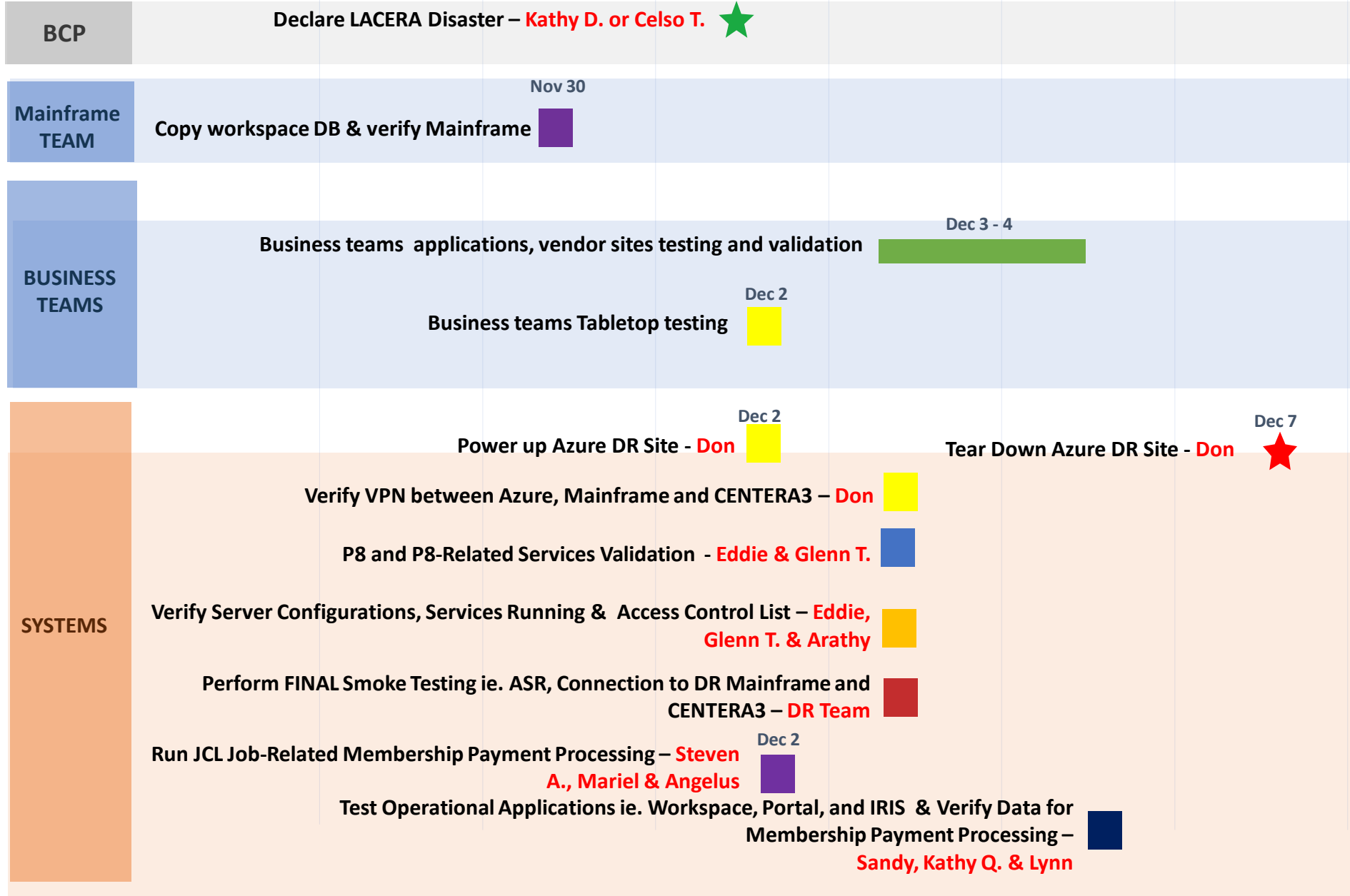
Dec 1 - Wed

Dec 2 - Thurs

Dec 3 - Fri

Dec 4 - Sat

Dec 7- Tue



Disaster Recovery Test

Division	Test Items	Test Results	Test Schedule
Accounting (FASD)	19 apps and web sites	Successful except County sites	7am-12pm, Dec 3
Admin Services	7 apps, Great plain and web sites	Successful	7am-12pm, Dec 3
Benefits	6 apps and web sites	Successful except County sites	7am-12pm, Dec 3
Communications	2 apps and web sites	Successful	7am-12pm, Dec 3
Disability Litigation	6 apps, disability tracker and web sites	Successful except County sites	7am-12pm, Dec 3
Disability Retirement	14 apps and web sites	Successful except County sites	7am-12pm, Dec 3
Executive Offices	4 apps and web sites	Successful	7am-12pm, Dec 3
Human Resources	43 apps and web sites	Successful except County sites	12pm-5pm, Dec 3
InfoSec	4 apps and web sites	Successful	12pm-5pm, Dec 3
Internal Audit	5 apps and web sites	Successful	12pm-5pm, Dec 3
Investments	7 apps and web sites	Successful	12pm-5pm, Dec 3
Legal	6 apps and web sites	Successful	12pm-5pm, Dec 3
Member Services	5 apps and web sites	Successful	12pm-5pm, Dec 3
RHC	6 apps and web sites	Successful	12pm-5pm, Dec 3
Systems	P8, UC4, Batch for IRIS	Successful	8am-10am, Dec 3
	Azure Cloud, Netskope	Successful	4pm-6pm, Dec 2
	JCL Job Membership Payment	Successful	4pm-6pm, Dec 2
	Mainframe, DB2, RACF, DB Visualizer	Successful	4pm-6pm, Dec 2
	Workspace, Pension Admin system	Successful	4pm-6pm, Dec 2
	Member portal, Member Payment	Successful	4pm-6pm, Dec 2
	Lacera.com, VPN, Centera3	Successful	4pm-6pm, Dec 2



Disaster Recovery Improvements

DR Exercise Stat Differences		
	December (2021)	January (2021)
Recovery Time Objective (RTO)	5.5 Hours	75 Hours
Recovery Point Objective (RPO)	< 24 Hours	132 Hours
SME Participation	15 Business Divisions	Systems Division (Only)
# Applications Restored and Tested	115 Applications & Sites	15 Applications & Sites

- **RTO - the amount of time it takes to recover our systems and data**
- **RPO - the age of the backup that is used for recovery**



Tabletop Exercise/Disaster Recovery



Questions?





Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**