



COUNTY OF LOS ANGELES  
**REGISTRAR-RECORDER/COUNTY CLERK**  
12400 IMPERIAL HWY. – P.O. BOX 1024, NORWALK, CALIFORNIA 90651-1024

**CONNY B. McCORMACK**  
Registrar-Recorder/County Clerk

May 21, 2002

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**APPROVE A SOLE SOURCE AGREEMENT WITH LR COMPUTERS  
FOR THE MAINTENANCE OF THE ELECTION BALLOT CARD READERS  
(ALL DISTRICTS- 3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ( )  
DISAPPROVE ( )**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Chairman to sign a sole source Agreement with LR Computers for maintenance and enhancements to card readers that are used for election ballot processing. This Agreement is for a period of four years not to exceed \$400,000, effective upon Board approval, with two one-year renewal options. Each renewal option, if exercised, shall not exceed \$35,000.
2. Authorize the Registrar-Recorder/County Clerk (RR/CC) or his/her designee to exercise renewal options under the terms of the agreement.

**PURPOSE/ JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of the recommended action is to establish a Board-approved agreement with LR Computers for maintenance and enhancements to the Department's card readers, which are used for election ballot processing. The RR/CC operates 40 card readers that process more than two million ballots election night. These readers were purchased from and are maintained by LR Computers. Routine maintenance is required to ensure optimal working condition for election night processing.

LR Computers is uniquely qualified to maintain and support the RR/CC's election ballot card readers. The card readers have been customized to meet the Department's needs and includes a specialty computer chip that the card reader uses to interpret data is designed and patented by LR Computers.

Election card readers are highly specialized and are only sold and maintained by a few vendors. LR Computers is the most cost-effective vendor located in the western United States and the only vendor available election night for on-site standby service if a reader should fail.

Board approval of this agreement will support Department efforts to meet a recent court order decertifying the use of pre-scored punch card voting systems by the November 2004 presidential elections (*Common Cause v. Jones*). To respond to this mandate, the Department plans to implement mark sense ballots that will require processing by high-speed optical readers. This agreement will enhance the existing RR/CC card readers to optically read pencil or pen marked ballots and still retain a processing speed of up to 1,000 cards per minute. Also, these enhancements will require no additional modifications to the Department's existing tally system. Currently, LR Computers manufactures the only optical reader certified by the California Secretary of State.

The Department's ability to maintain and enhance its election ballot card readers would be seriously impaired if the Board does not approve this agreement. The card reader's function is an extremely critical part of the election tally system. They read each ballot and send information about how the voter voted. Their proper operating condition is vital to accurate and fair election results. Moreover, the Department's ability to comply with the recent court mandates will be severely impacted. The Department plans to implement mark sense ballots that will require processing by high-speed optical readers and LR Computers manufactures the only optical reader certified by the California Secretary of State.

#### **IMPLEMENTATION OF STRATEGIC PLAN GOALS:**

The recommended actions support the County's Strategic Plan;

**Goal No. 1:** Service Excellence; Strategy 3: Evaluate Services based on results.

**Goal No. 3:** Organizational Effectiveness; Strategy 2: Improve internal operations.

**Goal No. 4:** Fiscal Responsibility; Strategy 3: Increase public and private partnerships.

**FISCAL IMPACT/FINANCING:**

The contract amount shall not exceed \$400,000 for the period of four years, and if renewal options are exercised, each renewal year shall not exceed \$35,000. Funds are available in the RR/CC operating budget and will be encumbered annually during each fiscal year for the duration of the agreement and renewal year(s), if option to renew is exercised. There is no increase in net County cost.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

Your Board is authorized to approve this agreement pursuant to Government Code Section 31000.

The agreement requires LR Computers to give first consideration to qualified County employees targeted for layoff and to consider qualified GAIN participants for employment openings. The agreement also requires compliance with the District Attorney's Child Support Compliance Program. The District Attorney has confirmed that LR Computers has complied with the requirement to file a Principal Owner Information Form with its office.

This is not a Proposition A agreement. The Living Wage Program (County Code Chapter 2.201) does not apply to the recommended agreement. Upon final analysis and consideration of award, LR Computers was selected without regard to race, gender, color or creed. The agreement has been approved as to form by County Counsel.

**CONTRACTING PROCESS:**

In 1997, RR/CC purchased 40 card readers from LR Computers through Purchase Order and subsequently received maintenance and enhancement services from LR Computers under additional Purchase Orders in 1998 through and 2000. The current Purchase Order will expire on June 30, 2002. LR Computers has satisfactorily provided the routine maintenance and election night support services under the Purchase Order agreements.

Although these services have not exceeded \$100,000 in any single year, the Purchasing Agent has recommended that a Board-approved agreement be established based on the continuing need for services that are expected to exceed \$100,000.

On April 25, 2002, we notified your Board of the intent to negotiate the sole source contract.

**IMPACT ON CURRENT SERVICES:**

Approving the sole source Agreement with LR Computers ensures continued maintenance services of the card readers, which is essential in processing election ballots.

**CONCLUSION:**

Upon execution of this Agreement by your Board, please instruct the Executive Office/Clerk of the Board to return two (2) executed copies of the Board letter and Agreement to:

Department of Registrar-Recorder/County Clerk  
12400 Imperial Highway, Room 7211  
Norwalk, CA 90650  
Attention: Elizabeth Seung, Contract Analyst

Respectfully submitted,

Reviewed by:

CONNOR B. McCORMACK  
Registrar-Recorder/County Clerk

Jon W. Fullinwider  
Chief Information Officer

CMC:es  
Attachments

c: Chief Administrative Officer  
Executive Officer, Board of Supervisors  
County Counsel  
Auditor-Controller  
Internal Services Department