

**SANTA BARBARA COUNTY  
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Agenda Number:**  
**Prepared on:** 1/12/06  
**Department Name:** Social Services  
**Department No.:** 044  
**Agenda Date:** 2/21/06  
**Placement:** Administrative  
**Estimate Time:**  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Supervisors

**FROM:** Kathy Gallagher,  
Director

**STAFF CONTACT:** Karin Traber  
x4529

**SUBJECT:** CalWIN CLIENT CORRESPONDENCE CONTRACT

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**Recommendation(s):**

That the Board of Supervisors:

1. Approve and authorize the Chair to execute a contract with Document Fulfillment Services (DFS), not a local vendor, for the purpose of printing and mailing client correspondence from the CalWIN System for the period of 3/1/06 through 2/28/07 at a cost not to exceed \$150,000; and
2. Authorize the Director of the Department of Social Services, at her discretion, to exercise the County's renewal option provided for in the contract, for (3) three additional one-year periods, commencing 3/1/07, 3/1/08 and 3/1/09 and a cost not to exceed \$ 495,000. Including the renewal period, if exercised, the total term of the contract would be for a maximum of (4) years with a total contract not to exceed \$ 645,000.

**Alignment with Board Strategic Plan:**

The recommendations are primarily aligned with Goal No.1. An Efficient Government Able to Anticipate and Respond Effectively to the Needs of the Community.

**Executive Summary and Discussion:**

On November 23, 1999, the Department of Social Services received your Board's approval of the CalWIN Technology Agreement with Electronic Data Systems (EDS). The Santa Barbara County Department of Social Services is implementing a new primary business application called the CalWORKS Information Network (CalWIN), for determining public assistance eligibility, computing and issuing benefits, and tracking the provision of social services. CalWIN meets federal requirements for a Statewide Automated Welfare System and will replace the current antiquated system, Welfare Case Data System (WCDS), which

no longer meets the functional requirements and technical standards of the current public assistance environment. CalWIN will provide greatly enhanced system support for all major processing functions of the Income Maintenance and Employment Services Programs administered by the Department. Santa Barbara County is scheduled to go live March 1, 2006. Seventeen other counties are currently part of a consortium that will be using the new CalWIN system.

Neither Department of Social Services nor General Services Reprographics currently have the equipment or capability to perform the high-speed, high-volume printing, folding, inserting, presorting and mailing activities that will be required by the new CalWIN application. The print files from CalWIN are much larger and more complex than what is produced today from our legacy WCDS computer system. Santa Barbara County has a current contract with EDS for printing of correspondence only through our current WCDS. Outsourcing of the CalWIN client correspondence printing and mailing task is the only viable approach to meeting business needs and mandated requirements for time-sensitive materials.

In the selection of a print vendor for Santa Barbara County, a cost analysis was performed to compare and contrast the cost of doing printing in-house with the value of a contract with a specified vendor, Document Fulfillment Services (DFS). Sacramento County, which is the largest CalWIN county, went live in March 2005 and needed to seek a contractor to fulfill their obligation to produce printed client correspondence mailings such as notices of action, benefit letters, requests for more information and other items of communication that are sent to clients who benefit from CalWIN services. The service also includes materials (paper, envelopes, postage, etc.) and processing (receiving and batching data, printing, folding, inserting, presorting, delivery to the United Postal Services) while maintaining strict confidentiality of all records.

Items considered in our analysis included the high volume of client letters and notices required to print, collate, fold, stuff, stamp and mail daily for approximately 35% of our caseload which is approximately 17,000 documents each day. Additionally, research was done to evaluate printing equipment required to perform this function in-house and the purchase price of high volume printers and ongoing maintenance exceeded the quote for vendor provided services. In addition to equipment costs, we determined the need for additional print staff of 4 FTE; two persons in both the North and South County offices. The analysis found that it would be more cost-effective to outsource the CalWIN printing requirements. Upon examination and after checking references with other contracted counties, it was determined that the contract with DFS in Sacramento County detailed and satisfied our concerns for client confidentiality and the following security issues were discussed and documented. 1.) All client data would be protected electronically by encrypting any transference of data between CalWIN and the print data center. 2.) All staff working with our printed correspondence are required to meet the confidentiality requirements as written in the Welfare Institutions Code. Finally, we evaluated the service that other CalWIN counties were getting from the proposed DFS vendor and noted an extremely high satisfaction rate for the services.

Sacramento County conducted a full procurement and granted the vendor DFS, an open-item contract so that other counties would have the option to reference their procurement. All the corresponding procurement documentation is included with this Board Letter.

DSS will be evaluating this contract during the year to determine if alternative local resources have become available, and if the renewal option should or should not be exercised.

**Mandates and Service Levels:**

Chapter 303 of the California State Budget Act of 1995 contained directive language assigning to Counties the responsibility for development and implementation of welfare systems that would form part of the Statewide Automated Welfare Systems structure. The Act required Counties to form up to four consortia for carrying out this responsibility. There is no change in service levels.

**Fiscal and Facilities Impacts:**

Approval and execution of the contract will result in direct contract expenditures of \$150,000 spread between FY 05-06 and FY 06-07. The renewal option would result in total contract amount of \$645,000 over a four year period. The amount is based on \$150,000 per year with a possible 10% increase for the renewal periods. Funding will come primarily from a mixture of Federal and State Funds. There is a 4.9% County Share. Total county share would not exceed \$8,000 a year which will not require any increase in General Fund contribution.

**Attachments:**

Sacramento County Request for Proposals  
Sacramento County Bid List  
Document Fulfillment Services (DFS) Response Proposal  
Sacramento County Board Resolution and Score Summary  
Sacramento County Open Item Contract Year 1 & Year 2 extension

**Special Instructions:**

After execution by the Chair, please return one (1) originally signed agreement for the contractor, the Department copies of the agreements and one (1) copy of the minute order, attention: Paula Haines

**Concurrence:**

Auditor-Controller  
County Counsel  
Risk Management