

**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: 4/25/02
Department Name: Child Support Services
Department No.: 045
Agenda Date: 5/21/02
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Karin Roser
Department of Child Support Services

STAFF CONTACT: Marc Levine
ext. 2329

SUBJECT: Request for Waiver of Competition in Purchase of an Upgrade to Payment Processing System

Recommendation(s):

That the Board of Supervisors:

- (a.) Authorize the Purchasing Agent to procure from IKON Business Systems Services (a non-local vendor) an upgrade to the Payment Processing System without being required to conduct a formal bid process.
- (b.) Authorize the expenditure of \$72,000 for the purpose of upgrading the IKON Business System Services Payment Processing System (DISC).

Alignment with Board Strategic Plan:

This action is in alignment with County Goal #1-Efficient Government able to anticipate and respond effectively to the needs of the community. This is also a necessary and routine measure required for maintaining effective business practices.

Executive Summary and Discussion:

Federal legislation mandates that the Department of Child Support Services distribute and disburse child support payments within two business days after receipt of the payment. In June of 1998, after review and research of options, the STAR/KIDS consortia found an imaging system that would automate the collections posting process and make it possible for the four consortia counties (Riverside, Santa Barbara, Fresno, and San Bernardino) to meet the mandated two-day turn around of payments. The system converts scanned checks, payment coupons, and other supporting information received with the payment into digital images

which are then indexed, assigned receipt numbers, and processed by a payment database management system. Once indexed, the actual checks can be deposited while the images are routed through the verification and posting procedure. The database management system provides a model of prior payment distribution and disbursement information that is then imported into the current posting process which saves significant processing time. All information is then uploaded to the integrated child support enforcement (STAR/KIDS application) system for payment distribution and disbursement of child support warrants to families.

IKON Business Information Services was the only vendor source that had developed an imaging system with the micro reader capacity for checks and also had a proven child support payment processing history in California and other states. The IKON application was modified to interface with the STAR/KIDS application and modeling databases have been developed. This payment processing system is now fully integrated with the mainframe child support computer system as required by Federal regulation.

At this point, changing technology requires an upgrade to the current version of software for the payment processing system from 16-bit to 32-bit technology replacing DDE interfaces with OLE. This will allow interfacing with the most recent versions of Attachmate (mainframe emulation software) which will increase the stability of the system and reduce errors. Also the current version is not compatible with Windows 2000 and Windows XP client operating systems. Without the upgrade, planned migration to Windows 2000 will be at risk.

This payment processing system (DISC) is fully operational in all four consortia counties with review and approval from the State of California. This upgrade has been approved by the State for the STAR/KIDS consortia. Because no new development is being funded by the State, all counties must remain on the same versions and applications. IKON is an approved vendor with the State of California. The costs to enhance and maintain a federally compliant comprehensive automated child support system is subject to full State and Federal funding and will be entirely funded from revenue funds that must be spent during fiscal year 2001-2002. If these funds are not expended, they will revert to the State General Fund.

Mandates and Service Levels:

There is a Federal mandate that all child support payments be distributed and disbursed within two business days. This payment processing system has ensured that we will meet this timeline.

Fiscal and Facilities Impacts:

There is no facilities impact. There is no fiscal impact to the County General Fund. Previously approved State and Federal funding will reimburse all costs associated with this upgrade.

Special Instructions:

The Clerk will direct a certified copy of the Minute Order to the Purchasing Manager.

Concurrence:

Purchasing