



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

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

Department Name: Social Services
Department No.: 044
For Agenda Of: 2/28/17
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Daniel Nielson, Social Services Director
Director(s) (805) 346-7101
Contact Info: Laura Mejia, Administrative Services Operations Manager
(805) 614-1252

SUBJECT: **Third Amendment to Agreement with Bit California, LLC dba Document Fulfillment Services (DFS) to provide CalWORK's Information Network (CalWIN) System Printing and Mailing Services**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

- a) Approve and authorize the Chair to execute the Third Amendment to the Agreement for Services of Independent Contractor (Third Amendment) with Bit California, LLC dba Document Fulfillment Services (DFS) to provide CalWORK's Information Network (CalWIN) System Printing and Mailing Services, to extend the term of the Agreement beginning on March 1, 2017 to February 28, 2018 for a contract amount not to exceed \$511,740 (\$170,580 for FY 16/17 (March 1, 2017 to June 30, 2017) and \$341,160 for FY 17/18 (July 1, 2017 to February 28, 2018)). Accordingly, the total contract amount from July 1, 2013 (the initial commencement date) to February 28, 2018 will not exceed \$2,038,740 (\$1,527,000 from July 1, 2013 through February 28, 2017 plus \$511,740 for the extension period of March 1, 2017 through February 28, 2018) (Attachment 1); and
- b) Determine that the approval and execution of the Third Amendment to the Agreement is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3), finding that the approval and execution of the Third Amendment to the Agreement is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment, the activities are not subject to CEQA.

Summary Text:

This item is on the agenda to approve the Third Amendment to the Agreement for Services of Independent Contractor with Bit California, LLC dba Document Fulfillment Services (DFS). In 2016, the Board approved the First and Second Amendments to the initial agreement approved on June 4, 2013. Department of Social Services (DSS) recommends the authorization and execution of this Third Amendment to extend the current Agreement through February 28, 2018.

Background:

Since March 2006, CalWIN has been the primary business computer application used by DSS and seventeen (17) other counties. CalWIN determines public assistance eligibility, computes and issues benefits, and tracks the provision of public social services. Within this application is functionality that allows for the printing of mandated client correspondence. While it is the responsibility of individual counties to decide the mechanism needed to ensure that all mandated correspondence is provided to clients in the timeframes outlined in law, it is critical that printing and mailing of correspondence interface efficiently with CalWIN as it is the system that initiates these mandated correspondences.

An increase in the amount of images produced by the vendor leads to a decrease in the cost per image to the County; therefore, joining the procurement process with Sacramento County is cost beneficial. There is a very high volume of client letters and notices generated by the current caseload. This agreement requires correspondence to be printed, collated, folded, stuffed, stamped and mailed daily for an estimated 325,477 images per month. Outsourcing of the CalWIN client correspondence printing and mailing task is the only viable approach to meeting business needs and mandated requirements for our time-sensitive correspondence. Failure to comply with regulations governing the timely printing and mailing of correspondence to clients could result in sanctions to the County.

DFS has been the printing provider for DSS since March 2006. On February 28, 2017, the current Agreement with DFS is set to expire. On April 5, 2016, your Board approved DSS' request to partner with the participating CalWIN Consortium counties to join Sacramento County Department of Human Assistance's (DHA) competitive procurement process for CalWIN System Printing and Mailing services. The key advantage of partnering with participating CalWIN Consortium counties to join Sacramento County DHA's competitive procurement process is the economy of scale that will be realized as a result of the competitive pricing schedule issued by the vendor.

The CalWIN Print and Mail Correspondence RFP and resulting contract award is a complex project. Sacramento County DHA, acting as lead for the participating CalWIN Consortium counties, completed a competitive bid procurement (RFP 8352) giving participating CalWIN Consortium counties the ability to reference Sacramento County DHA's RFP to complete their own agreements. On September 16, 2016, DFS was notified as the selected bidder as a result of the RFP.

Sacramento County's Department of Finance conducted a contract review of the current DFS contract to ensure thorough due diligence in awarding the contract. Sacramento County Department of Finance lacked information to complete the review. On December 13, 2016, Sacramento County's Board of Supervisors authorized its DHA to extend their current contract with DFS for six (6) months to enable a continuity of services while DHA continues to review DFS's contract. Other CalWIN Consortium counties who partnered with Sacramento County DHA are following suit and are in the process of extending their current agreements. Therefore, we are requesting an extension of the current Agreement with DFS to allow Sacramento County DHA to complete their review and to allow time for our

department to procure if necessary. DSS will return to your Board with a request to enter into a longer term contract once the Sacramento County Board of Supervisors approves their new contract.

Performance Measure:

The vendor has consistently met and exceeded the above performance measures set forth in the existing contract.

DFS will provide printing and mailing services for client correspondence generated out of the CalWIN computer system to Santa Barbara County.

The performance measures focus on measuring the quality of vendor support and quantifying service response time.

- Errors not remedied by DFS quality control, involving 100 or more pieces from a single mailing will incur a penalty credit in favor of the County in the amount of \$.04 per piece. This will include client correspondence mailed 24 hours after the target mailing date.
- DFS will verify that services are provided using fully automated processes that are capable of tracking each individual mail piece through the printing, inserting, and mailing processes. Duplicated, missing and misprinted documents and inserts and other errors must be identified and remedied before mailing. Any errors or variation must be reported to the County immediately.
- DFS’s performance will be measured by evaluating daily print reports received from DFS which detail the daily correspondence volume processed, printed and mailed. These reports are compared to CalWIN caseload activity to ensure consistency is present.
- A DSS Help Center database will be utilized to track questions, problems, issues and general communication with DFS. This allows DSS to create a knowledgebase of information for more effective contract monitoring.
- A DSS Help Center database report will be run and reviewed quarterly to ensure that 90% of all DSS reported questions or issues were resolved by DFS to DSS’s satisfaction, within two (2) business days.

In addition to the performance measures listed above, Santa Barbara County participates in monthly client correspondence meetings held at the project level to discuss print processes, satisfaction and other general information where counties who share this print vendor can comment and compare service experience.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current Total Contract Cost FY 13/14-16/17</u>	<u>Contract Cost 3/1/17 - 6/30/17</u>	<u>Contract Cost 7/1/17 - 2/28/18</u>	<u>Total Amended Contract Cost</u>
General Fund	93,605.10	8,730.00	20,874.00	\$ 123,209.10
State	626,222.70	72,858.00	139,948.00	\$ 839,028.70
Federal	807,172.20	88,992.00	180,338.00	\$ 1,076,502.20
Fees				
Other:				
Total	\$ 1,527,000.00	\$ 170,580.00	\$ 341,160.00	\$ 2,038,740.00

Narrative:

Approval and execution of the Third Amendment will result in a total cost not to exceed \$511,740 (\$170,580 for FY 16/17 (March 1, 2017 to June 30, 2017) and \$341,160 for FY 17/18 (July 1, 2017 to February 28, 2018)) for the extension period. Accordingly, the total cost will not exceed \$2,038,740, for the term of the entire Agreement from July 1, 2013 through February 28, 2018. Appropriations and funding for an annualized amount for FY 16/17 was included in our recommended budget. Funding for this contract is a composite of Federal, State, and County matching funds across various programs, based on the following ratios: Federal 52.80%, State 41.16%, and County 6.04%.

Key Contract Risks:

The risk assessment worksheet has been completed and DSS has determined that DFS is a medium risk vendor. DSS has a positive and productive relationship with DFS since 2006. DSS is confident of DFS' abilities to provide services through February 28, 2018.

Staffing Impacts:

Legal Positions:

0

FTEs:

0

Special Instructions:

Please send one (1) duplicate original Third Amendment to the Agreement and a copy of the Minute Order to:

Department of Social Services
Contracts Unit
Attn: Tricia Beebe
2125 S. Centerpointe Parkway, 3rd floor
Santa Maria, CA 93455

Attachments:

1. Attachment 1 - Third Amendment - DFS - CalWIN Print & Mail Correspondence

Authored by:

Laura Mejia, Administrative Services Operations Manager
Tricia Beebe, Contracts Coordinator