



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:** 01/06/15  
**Placement:** Administrative  
**Estimated Tme:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors

**FROM:** Department Daniel Nielson, Social Services Director  
Director(s) (805) 346-7101  
Contact Info: Ken Jensen Psy. D., Deputy Director (805) 346-7312

**SUBJECT:** **Welfare Client Data Systems Consortium Information Technology Agreement for the Maintenance and Operation of CalWORKs Information Network (CalWIN) with HP Enterprise Services, LLC (HP) formerly known as Electronic Data Systems (EDS)**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

1. Approve and authorize the Chair to execute the Maintenance and Operations Agreement between the Welfare Client Data Systems (“WCDS”) Consortium Counties and HP Enterprise Services, LLC (HP), to be effective from February 1, 2015 through January 31, 2020, of which Santa Barbara County’s share of the total contract amount is not to exceed \$8,168,309; (the “Agreement”) (Attachment 1); and
2. Determine that the execution of the Agreement is exempt from the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines Section 15061 (b) (3), finding that the execution of 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 in order to approve the new Maintenance & Operations Agreement with HP. Santa Barbara County and seventeen (17) other counties belong to the WCDS consortium. The WCDS has authorized the agreement for CalWORKs Information Network (CalWIN) Maintenance and Operation Services. The total cost of the HP agreement is shared by eighteen (18) California Counties. The new Agreement is to be effective February 1, 2015 and has a base period running through January 31, 2020, five (5) years. Santa Barbara County's share of the consortia amount of the contract is not to exceed \$8,168,309.

On November 23, 1999, your Board approved a contract with Electronic Data Systems (EDS) which was the predecessor to HP for CalWIN Development, Implementation, Maintenance and Operation Services for the 18 CalWIN counties. Your Board subsequently approved the following Amendments: Amendment I on January 8, 2008 to extend services through July 31, 2010; Amendment II on September 15, 2009, to extend services through July 31, 2013; Amendment III on May 21, 2013 to extend services through July 31, 2015. Each Amendment also increased the maximum reimbursable amount to cover additional maintenance and operation costs. As the contract had exceeded the contractual caseload growth cap, Amendment II allowed WCDS and HP to enter into contract negotiations. The maintenance & operation Request For Proposal (RFP) was developed and issued. Amendment III allowed for the federally-driven delay in approving the maintenance & operation RFP to replace the then-existing contract with HP while providing continuity of operations.

The CalWIN System was implemented in Santa Barbara County in March 2006 and requires ongoing maintenance and operation services provided by HP. Each of the 18 CalWIN counties' costs are based on their individual share of the consortium caseload along with anticipated expenditures. As with all CalWIN expenses, there is a mandated county share with the remaining costs being funded by federal and state funds.

WCDS has requested that the respective Boards for the 18 counties separately approve and sign the new HP Maintenance & Operation Agreement. This agreement was competitively procured through an extensive RFP process, and was negotiated with participation of WCDS, the CalWIN counties, and the State of California Department of Social Services (CDSS).

The new Agreement contains a significant number of improvements over the existing HP contract to include:

- Business Intelligence, Rules Engine and Integrated Document Management Solutions (IDMS) covered under the base contract cost; IDMS may be replaced by another no-cost project at Counties' request
- Enhanced service level agreements with significant liquidated damage remedies
- More extensive project and portfolio management tools
- Free modernization hours of 8,500 per year for continued system enhancements and added 1,800 hours per year for research
- Better cost certainty provided through a fixed-price agreement (within certain limits)
- User Acceptance Testing and Release Level Support activities covered under base agreement fees (currently chargeable expense against the change budget per release)
- HP's assumption of uncapped direct damages and all types of non-direct damages and indemnities apply primarily in the event of (a) security or confidentiality breach; (b) negligence

or willful misconduct; (c) the acts or omissions of HP’s subcontractors; (d) the facilities; and (e) intellectual property infringement with direct damages up to the maximum contract value

**Background:**

On November 23, 1999, your Board approved a contract with EDS and HP, which was EDS’ successor in interest, and three (3) subsequent Amendments to extend services. That Agreement for CalWIN Development, Implementation, Maintenance and Operation Services was in effect from November 1999 through July 2015 for all 18 CalWIN counties.

The WCDS Consortium was faced with Federal and State mandates to establish a Statewide Automated Welfare System (SAWS) to meet public assistance reporting requirements and to manage the demands of administering increasingly complex public assistance programs. As a result, the WCDS Consortium contracted with HP to replace the thirty (30) year old WCDS mainframe system with the CalWIN Windows-based system.

CalWIN implementation began with Placer County as the first pilot county in January 2005 and was fully rolled out with Fresno County in July 2006. The Santa Barbara County Department of Social Services (DSS) implemented CalWIN in March 2006. It is used by 80% of DSS staff and affects 100% of DSS clients applying for and/or receiving public assistance.

CalWIN is an online, real-time computer system that automates eligibility determinations and benefit calculations for the California Work Opportunity and Responsibility to Kids (CalWORKs), CalFresh, Medi-Cal, General Relief and Foster Care programs and supports case management functions for Employment Services. It generates accounting and management reports, interfaces with the State, satisfies the Federal and State mandates and, most importantly, has created an opportunity for the Department of Social Services to provide better accountability, customer-focus and efficiency.

**Performance Measure:**

Performance Measures are outlined in the Agreement under Exhibit C, Service Level Agreements and Liquidated Damages. HP will continue to meet industry standards and will ensure that CalWIN is available during regular business hours to support the daily work of DSS staff. HP will also provide monthly reports to the 18 CalWIN Counties on its success at meeting contract deliverables.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>FY2014/15 Cost</u></b>	<b><u>July 31, 2015- Jun 30, 2020 Costs</u></b>	<b><u>Prior Fiscal Year Costs</u></b>
General Fund	\$ 87,182.00	\$ 457,544.00	\$ 850,164.30
State	\$ 519,120.00	\$ 2,742,084.00	\$ 6,612,949.34
Federal	\$ 721,441.00	\$ 3,839,240.00	\$ 9,734,077.36
Total	\$ 1,327,743.00	\$ 7,038,868.00	\$ 17,197,191.00

**Narrative:**

Funding for this Agreement is approximately 54.44% Federal 39.03% State and 6.53% County General Fund. Appropriations for FY 2014-2015 have been included in the Department's approved budget. Appropriations for future fiscal years will be included in future budget requests.

**Key Contract Risks:**

This contract has been evaluated to be a Medium Risk Contract per the completion of the Contract Risk Assessment Worksheet. The COUNTY has a long standing relationship with WCDS consortium and HP Enterprise Services, LLC (HP).

**Staffing Impacts:**

**Legal Positions:**

0

**FTEs:**

0

**Special Instructions:**

Please send one (1) original signature pages, and one (1) minute order to:

Department of Social Services  
Attn: Contracts Coordinator, 3<sup>rd</sup> Floor  
2125 S. Centerpointe Parkway  
Santa Maria, CA 93455

**Attachments:**

Attachment 1: WCDS Maintenance and Operations Agreement

**Authored by:**

Rene Garcia, Division Chief

**cc:**