



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: 3/13/18  
Placement: Administrative  
Estimated Time:  
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: Laura Mejia, Administrative Services Operations Division Chief  
(805) 346-7609

**SUBJECT:** Agreement with NEC Corporation of America for Workforce Optimization and Verbal Attestation

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Approve and authorize the Chair to execute an Agreement for Services of Independent Contractor with NEC Corporation of America for the provision of Workforce Optimization and Verbal Attestation in the amount not to exceed \$491,001 for the period of 03/13/2018 through 12/31/2018; and
- b) Determine that the approval and execution of the Agreement is exempt from the California Environmental Quality Act (CEQA) pursuant to 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 Agreement with NEC Corporation of America (NEC) for the provision of Workforce Optimization and Verbal Attestation for the period of 03/13/2018 through 12/31/2018. As presented at the April 2017 workshop and approved as part of the Department of Social Services (DSS) Fiscal Year (FY) 2017-2018 budget, this contract

will enable the County to continue its efforts to increase efficiencies through process improvements, technology, and innovations to better serve the public. This additional technology will not only assist in our efforts to reduce the number of clients from being discontinued and then reapplying due to failure to return signed documents (instead capturing a secure telephonic signature during the eligibility call), it will also allow supervisors to review calls and computer entries for quality assurance purposes, allow for automated appointment reminders, and allow DSS to automatically communicate with clients using a mass notification feature. It is the recommendation of DSS for your Board to authorize and execute this Agreement with NEC.

**Background:** DSS implemented the Benefit Service Center (BSC) on September 22, 2008 to respond effectively to the needs of the community, adapt to changing Medi-Cal and CalFresh program regulations, and leverage technology. The BSC provides a telephone connection with an eligibility worker during regular business hours while reducing client visits to district offices.

Since the BSC opened, caseloads continued to rise and the BSC infrastructure was no longer sufficient to support the increasing call volume. This required DSS to modernize its call systems. On August 28, 2015, DSS released its Request for Proposal (RFP) for the BSC – Interactive Voice Response (IVR) System. DSS received two proposals in response. After consideration, the Review Committee recommended NEC be awarded the contract. At that time, DSS made the decision to split the scope outlined in the RFP into two phases. Phase 1 consisted of the implementation of a new IVR system and Phase 2 consists of the planning and implementation of Verbal Attestation and Workforce Optimization, the project before your Board today.

In February 2016, your Board approved the Agreement with NEC for the implementation of the IVR System (Phase 1). This has improved the efficiency of customer service operations and provided higher quality of customer service to DSS' clients. The modernization of our technological systems at the BSC has allowed DSS to impart greater customer service by providing clients the option to request a call back during business hours and allow clients to hear their estimated wait times, significantly reducing customer complaints. It has also provided greater operational controls to allocate staff appropriately and work efficiently to meet processing deadlines.

The purpose of the current service Agreement is for the provisions outlined in Phase 2 of the RFP; Verbal Attestation and Workforce Optimization, which provides the following needed solutions:

1. Telephonic signature
2. Call recording
3. Screen capture
4. Screen monitoring
5. Outbound calling
6. Customer satisfaction survey option

Federal regulations have historically required a written signature on program eligibility documents, but have been changing over time. The Medi-Cal program, has allowed a telephone eligibility process that consists of a professional eligibility worker attesting that the client has provided their verbal agreement, whereas, the CalFresh and CalWORKs programs have a different requirement for telephone eligibility processes. The 2008 Farm Bill allows for the acceptance of applications "signed" over the phone using

a “telephonic signature” for CalFresh and CalWORKs applications, but we have been unable to accept telephonic signatures since DSS has lacked the necessary technology to implement. DSS has been able to conduct eligibility interviews over the telephone but this required mailing the document(s) to the client for their signature. The client must then return the signed document to us.

A telephonic signature is a type of electronic signature that uses an individual’s recorded spoken signature or verbal assent in place of an actual written signature. The use of a telephonic signature, as part of any telephone eligibility process (i.e., applications, periodic reporting, client declarations, or renewals), will eliminate the current manual process of mailing documents in order to gather a client’s ink signature after the telephone eligibility process has concluded. Greater efficiency will be achieved as staff will be able to complete the eligibility work in real time without as many manual steps that complicate and prolong the process. The use of telephonic signature in the CalFresh and CalWORKS programs makes it possible for clients to complete program eligibility requirements without visiting an office or having to await mail and return signed documents. This is expected to reduce potential barriers experienced by those who work during office hours, lack transportation, or lack child care services. Further efficiencies will be achieved by the streamlining of the eligibility processes, reduction of postage costs, and the amount of staff time needed per case processed.

Call recording, screen capture and screen monitoring aid to improve quality control and provide consistent customer service while identifying best practices. Outbound calling functionality provides the ability to automatically call clients with appointment reminders and mass notifications reducing missed appointments and the need for reapplication or reinstatement. By utilizing the Customer Satisfaction survey, clients will have an opportunity to provide feedback regarding the level of service provided and the effectiveness of staff in resolving their issues which will benefit our continuous process improvement strategies.

In order to implement this new functionality, which was presented during the FY 2017-2018 budget hearings, it must be designed, then installed and implemented. The Agreement with NEC that is before your Board contains two steps each with distinct Service Level Agreements and Payment Arrangements that protect the County’s interests. The first step would allow for acceptance and payment for the System design of the Verbal Attestation (\$18,601). Once the first step has been approved and accepted, the second step would allow acceptance and payment of the cost of the necessary equipment, installation, software and labor based on the final approved System design (\$427,764). The two steps (\$18,601 + \$427,764) plus a 10% contingency factor (\$44,636) result in a not to exceed contract amount of \$491,001. The separate service level agreements are to ensure that NEC meets the documented milestones timely and meets the desired DSS outcomes.

### **Performance Measure:**

The performance measures are prescribed in the attached Agreement under Exhibit A.

### **Fiscal and Facilities Impacts:**

Budgeted: Yes

### **Fiscal Analysis:**

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>FY 18-19 Cost</u>	<u>Ongoing Maintenance Costs</u>
General Fund	\$ 1,690		\$ 3,253
State	\$ 10,329		\$ 22,046
Federal	\$ 11,455		\$ 19,878
Fees			
Other: One Time			
Local Funds	\$ 467,527		
Total	\$ 491,001	\$ -	\$ 45,177

**Narrative:**

This project, less the maintenance cost of \$23,474, is considered a capital asset per federal claiming regulations. Therefore the County is required to fund all cash outflows for this project during implementation from one time local funds. Once fully implemented (FY 2018-2019), this system will be depreciated over its useful life of five years and the County will be reimbursed (\$433,865) through a combination of State (48.8%), and Federal (44%) funds.

The appropriations for the initial cash outflow, as well as the 1<sup>st</sup> year maintenance costs were approved and included in the DSS FY 2017-2018 adopted budget.

While DSS has budgeted the entire project in the current fiscal year, we anticipate the need to present to the Board in June, a final budget adjustment moving a percentage, to be determined, of this funding and appropriations to FY 2018-2019 based on updated implementation schedules.

The ongoing maintenance cost for the second year of operations is anticipated to be \$45,177. These costs are eligible to be funded at the time the expenditure is incurred with a combination of State (48.8%), Federal (44%) and County (7.2%) funds. This amount is not included in the current contract and is for information purposes only.

**Key Contract Risks:**

The risk assessment worksheet has been completed. NEC has an ongoing relationship with the County, and DSS is confident of NEC's abilities to provide the needed services.

**Staffing Impacts:****Legal Positions:**

0

**FTEs:**

0

**Special Instructions:**

Please send one (1) duplicate original Agreement, and a copy of the minute order to:  
DSS Contracts Unit  
C/O Emma Duncan  
2125 S. Centerpointe Parkway, 3<sup>rd</sup> Floor  
Santa Maria, CA 93455

**Attachments:**

1. Agreement with NEC for Workforce Optimization and Verbal Attestation

**Authored by:**

Jose Clemente, Automation Technology Department Business Specialist II  
Emma Duncan, Contracts Coordinator