

County of Santa Clara Social Services Agency

Department of Development & Operational Planning
Office of Contracts Management



SSA01 092909

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DATE: September 29, 2009

TO: Board of Supervisors

FROM: 
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Agency Director, Social Services Agency

SUBJECT: Second Amendment to the Agreement with Electronic Data Systems, LLC for CalWORKs Informational Network (CalWIN)

RECOMMENDED ACTION

Approve Second Amendment to Agreement with Electronic Data Systems (EDS) relating to providing CalWORKs Information Network (CalWIN) development, implementation, and maintenance and operation services in an amount not to exceed \$14,408,748.00 for period August 1, 2010 through July 31, 2013.

FISCAL IMPLICATIONS

There is no negative fiscal impact to the County General Fund associated with the approval of the Recommended Action.

The Second Amendment will increase the total maximum reimbursable amount for the EDS contract for the 18-County Consortium from \$483,854,928.00 to \$682,162,040.00 for the period August 1, 2010 through July 31, 2013. The \$198,307,112.00 EDS contract increase includes \$142,117,625.00 for the Second Amendment for continuation of EDS services (Exhibit G-I Schedule A-CalWIN Project Pricing Summary), and \$56,189,486.00 for additional costs incurred after the First Amendment was approved for state and federal specified welfare eligibility changes, and for caseload growth. The methodology of combining both cost increases into the Second Amendment has been reviewed by County Counsel from several counties, including Santa Clara County.

The EDS Contract First Amendment, approved by the Board of Supervisors in January 2008, increased the total maximum amount of the contract by \$257,033,211.00, to \$483,854, 928.00, and extended the term of the contract 26 months through July 31, 2010. After the First Amendment was approved, which included all known expenditures at that time, regulatory changes to state and federal welfare eligibility requirements occurred and County Consortiums were required to incorporate the necessary system changes at an additional cost of \$56,189,486.00. Santa Clara County's share of the \$56,189,486.00 was \$5,696,831.33, with \$5,432,327.52 received in state revenue, and a net county cost of \$264,503.81. The cost and revenue was incurred beginning January 1, 2008 and will continue through July 31, 2010. Funding and revenue for the \$264,503.81 was included in the Agency's FY 2009 and FY 2010 approved budgets.

Santa Clara County's share of the \$142,117,625 for the EDS Second Amendment for the period August 1, 2010 through July 31, 2013 is \$14,408,748.00, with \$13,739,750.31 in state revenue, and a net county cost of \$688,998.00. The cost, and associated state revenue, for the EDS Second Amendment will be distributed throughout the amendment period as indicated below:

Year	EDS Second Amendment	Santa Clara County			Net County
		% Share	Total Cost	Revenue	Cost
FY 2011			\$4,297,319.00	\$4,097,794.83	\$199,524.47
FY 2012			\$4,796,882.00	\$4,574,162.83	\$222,719.17
FY 2013			\$4,897,708.00	\$4,670,307.47	\$227,400.53
FY 2014			\$416,839.00	\$397,485.17	\$19,353.83
Total	\$142,117,626.00	10.139%	\$14,408,748.00	\$13,739,750.31	\$688,998.00

The net county share of costs associated with the EDS Second Amendment represents an annual decrease from current costs for EDS contracted services. SSA will adjust revenue and expenditures during the Current Level Budget (CLB) phase for each upcoming fiscal year.

The EDS Second Amendment includes all known service requirements and agreements, and associated state revenue. However, the Consortium routinely requests additional funding as new regulatory changes occur, and any such changes will be brought to the Board of Supervisors as subsequent contract amendments.

The EDS Contract Second Amendment also extends the term of the contract, which currently will expire on July 31, 2010, by 36 months through July 31, 2013.

CONTRACT HISTORY

On December 7, 1999, the Santa Clara County Board of Supervisors approved the initial Agreement with Electronic Data Systems (EDS) for CalWORKs Information Network (CalWIN) development, implementation, maintenance and operation services. On January 15, 2008 the Board of Supervisors approved the EDS Contract First Amendment with EDS increasing the maximum compensation, and extending the term through July 31, 2010. The CalWIN System was implemented in Santa Clara County in June 2005 and requires ongoing maintenance and operation services provided by EDS.

REASONS FOR RECOMMENDATION

The Second Amendment to the Agreement with EDS requires approval by the Board of Supervisors, in order to increase the Consortium contract's maximum compensation to \$682,162,040 and to extend the Agreement through July 31, 2013.

The current EDS Agreement expires on July 31, 2010. The Second Amendment is a 36-month extension through July 31, 2013 and will increase the total maximum reimbursable amount for the EDS contract for the 18-County Consortium from \$483,854,928.00 to \$682,162,040.00 for the period August 1, 2010 through July 31, 2013. The \$198,307,112.00 contract increase includes \$142,117,625.00 for EDS services as detailed in Exhibit G-I Schedule A-CalWIN Project Pricing Summary, and \$56,189,486.00 for specific state and federal welfare eligibility mandates changes that occurred between the EDS Contract First Amendment and the currently requested EDS Contract Second Amendment. The Consortium issued this Amendment at this time in order for all 18 participating counties to complete their approval process for the July 1, 2010 start date.

The extension will allow the Welfare Case Data Systems (WCDS) Consortium to complete a competitive solicitation process for the continuation of CalWIN maintenance and operation services, resolve caseload cap issues and address business needs, such as hardware and software upgrades. The rate per case will remain at the current blended rate of \$0.67 per active case through Fiscal Year 2009-10. However, from July 1, 2010 through July 31, 2013, the blended rate will increase to \$0.75 per active cases.

BACKGROUND

Santa Clara is a member of an 18 County Consortium for the development, implementation, maintenance and operation services of CalWIN. The consortium manages the CalWIN System through Welfare Case Data Services (WCDS) who oversees the Agreement with EDS. Each of the 18 CalWIN counties' costs are based on their individual share of the consortium caseloads along with anticipated expenditures. WCDS has requested that the respective Boards for the 18 counties separately approve and sign the Second Amendment. EDS will sign the Second Amendment after all signatures are obtained from the Counties. Ninety-five percent (95%) of application costs, with the exception of programming related to the General Assistance (GA) program, can be claimed as reimbursable state and federal funds by the 18-Consortium counties. The remaining balance is allocated to individual counties based on caseload and other budgeted expenses.

CONSEQUENCES OF NEGATIVE ACTION

Negative action will result in disruption to client services as Santa Clara County will not have access to the CalWORKs Information Network (CalWIN) welfare eligibility determination and benefit issuance system required to provide assistance.

STEPS FOLLOWING APPROVAL

1. President of the Board of Supervisors executes Second Amendment to the Agreement with Electronic Data Systems (EDS) for CalWORKs Information Network (CalWIN).
2. Clerk of the Board forwards original and signed Agreement, with an additional copy with original county signature to Social Services Agency.
3. Social Services will forward the signed Second Amendment to WCDS Executive Director, coordinator of executed Amendments for all participating CalWIN Counties.
4. Upon receipt of all counties' signed Second Amendment, the WCDS Executive Director will return all originals to Social Services Agency for forwarding to the Clerk of the Board.

ATTACHMENTS

- Amendment II to the Agreement with EDS, LLC
- Exhibit G-I Schedule A-CalWIN Project Pricing Summary
- Exhibit L-II Charges and Liquidated Damages

- Cost Breakdown Analysis
- January 15, 2008 Approved Board Transmittal
- December 7, 1999 Approved Board Transmittal