

County of Santa Clara
Social Services Agency
Department of Fiscal & Administrative Services
Financial Management Services

SSA02 011508

Reviewed by: Christian Griffith
Director, Fiscal & Administrative
Services

Sandra Dalida
Chief Financial Officer

Submitted by: Umesh Pol
CalWIN Director

DATE: January 15, 2008

TO: Board of Supervisors

FROM: 
Will Lightbourne
Agency Director, Social Services Agency

SUBJECT: Approval of Amendment to the Agreement with Electronic Data Systems Corporation (EDS) for CalWORKs Information Network (CalWIN)

RECOMMENDED ACTION

Approve First Amendment to Agreement among 18 participating CalWIN counties and Electronic Data Systems Corporation relating to the CalWORKs Information Network (CalWIN) Development, Implementation, Maintenance, and Operation Services increasing max compensation and extending term for period of January 15, 2008 to July 31, 2010.

FISCAL IMPLICATIONS

There is no additional General Fund cost associated with the approval of the First Amendment to the CalWIN Agreement. The SSA FY 2008 budget includes the County's share of cost, including that of this Amendment, and the total cost for Santa Clara County over the term of the Agreement is projected to remain at \$2,772,912.

The proposed Amendment will increase the total maximum reimbursable amount of the contract for the entire 18-county consortia by \$257,033,211 to \$483,854,928 and extend the term 26 months through July 31, 2010. This increase reflects the impact of over 30 project changes that have been approved and implemented by the CalWIN consortia since 1999. Most of the project changes were required by the State, and were thus fully reimbursed by the State.

CONTRACT HISTORY

On December 7, 1999, the Santa Clara County Board of Supervisors approved the existing Agreement between the 18 CalWIN Counties and Electronic Data Systems Corporation (EDS) for CalWORKs Information Network (CalWIN) Development, Implementation, Maintenance and Operation Services. The 8 year agreement is being Amended to extend the Agreement with EDS 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. Ninety five percent of application development costs, with the exception of programming related to the General Assistance program (GA), will be State and Federally funded. The CalWIN Consortia's 5% total cost is allocated to individual counties based on caseload and other budgeted expenses. The total cost for Santa Clara County's share of services over the term of the agreement is projected at \$38,896,768 with a net County cost of \$2,772,912 after Federal and State reimbursement.

REASONS FOR RECOMMENDATION

The original 99-month contract term is set to expire on May 31, 2008. The First Amendment is a 26-month contract extension through July 31, 2010, which will allow the CalWIN Consortia to increase State approved extensions for implementation and completion of CalWIN application change order requests. The Amendment will increase the amount allowed for State and Federal reimbursement related to these changes and system maintenance, as CalWIN counties have expended 97% of the maximum contract sum of the Agreement through June 30, 2007.

The CalWIN Consortia First Amendment with EDS requires approval by the Board of Supervisors and execution by the Chair, in order to increase the contract's maximum compensation to \$483,854,928 and extend the term to 125 months.

BACKGROUND

Santa Clara County 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 Client Data Services (WCDS) who oversees the Agreement with EDS.

Over the course of the project, change orders were approved by CalWIN managers, EDS, and the State that would increase the maximum compensation for the Agreement from \$257,033,211 to \$483,854,928. The attachment titled "Project Extension Analysis" explains in details the change orders that result in the changes to the contract. These approved changes accelerated the rate at which the original Agreement's maximum is being reached. The original 99-month contract term includes the 51-month implementation period and 48-month maintenance and operation period. The 51-month implementation period needs to be increased by 26 months to incorporate these approved changes. An amendment is needed to increase the maximum compensation and length of the Agreement by 26 months. The ordered changes meet State requirements for full reimbursement and are not anticipated to incur County share of cost.

CONSEQUENCES OF NEGATIVE ACTION

If this Amendment to the Agreement with Electronic Data Systems Corporation (EDS) for CalWORKs Information Network (CalWIN) is not approved, the State approved extension will not be executed for Santa Clara County.

STEPS FOLLOWING APPROVAL

1. Chairperson of the Board of Supervisors executes the Amendment 1 to the Agreement with Electronic Data Systems Corporation (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 Agency will forward the signed Amendment 1 to WCDS Executive Director, coordinator of executed Amendments for all participating CalWIN Counties.
4. Upon receipt of all counties' signed Amendment 1, the WCDS Executive Director will return all originals to Social Services Agency for forwarding to the Clerk of the Board.

ATTACHMENTS

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- Amendment I to the Agreement with EDS Corporation
- Exhibit G-1 Schedule A-CalWIN Project Pricing Summary
- Exhibit L-I Changes and Liquidated Damages
- Project Extension Analysis
- December 7, 1999 Approved Board Transmittal