

County of Santa Clara

Social Services Agency

1725 Technology Drive
San Jose, California 95110-1360

Approved Accepted Adopted Denied Presented

BY THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CLARA

Phyllis A. Poroz, Clerk of the Board

By Melinda C. Lyon
Deputy Clerk

Date: DEC 07 1999



SSA 10

Prepared by: Larry A. Engstrom

Reviewed by: Todd A. Pierce
Todd A. Pierce

November 23, 1999

TO: Board of Supervisors

FROM: Yolanda Lenier Rinaldo, Director
Social Services Agency

SUBJECT: **APPROVAL OF CONTRACT WITH ELECTRONIC DATA SYSTEMS CORPORATION (EDS) FOR CALWORKS INFORMATION NETWORK (CalWIN) AND MOU WITH STATE HEALTH AND WELFARE DATA CENTER (HWDC)**

RECOMMENDED ACTION

It is recommended that the Board of Supervisors take the following actions:

1. Approve the attached agreement between the counties participating in the joint procurement of the Statewide Automated Welfare System (SAWS) CalWORKs Information Network (CalWIN) computer system and the Electronic Data Systems (EDS).
2. Approve the attached Memorandum of Understanding (MOU) between the State Health and Welfare Data Center (HWDC) and the County.

ORIGINAL

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RECOMMENDED ACTION (continued)

3. Authorize the Chairperson to execute the attached agreement and MOU.
4. Approve the exemption from the County Contracting Principles. This contract is a product of the Welfare Client Data System (WCDS) eighteen county consortium. All participating counties are using the same agreement for procurement of the CalWIN system.

FISCAL IMPLICATIONS

Relative costs to the County are expected to be small in relation to the entire cost of the project due to heavy State and Federal subvention. The total Santa Clara County expenditure for the approximately eight years of the contract is \$2,772,912. The total cost of the entire contract for all the eighteen consortium counties for the eight years of the contract is \$471,000,000.

Ninety-five percent (95%) of all application development costs, with the exception of programming specific to General Assistance (GA), will be State and Federally funded. The consortium will have a 5% share which will be divided among member counties based on caseload percentages. General Assistance costs will be pro-rated in accordance with consortium cost-sharing agreements. The costs are spread over approximately eight years and cover 51 months for development and implementation as well as an additional 48 months of maintenance and operations.

Such items as computer equipment (except for equipment specific to the GA program), training and site preparation will be 100% reimbursed by the State and Federal government. Once we enter the maintenance and operation period, State and Federal participation will be dropped to approximately 85% excluding GA participation. The breakdown of Santa Clara

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FISCAL IMPLICATIONS (continued)

County costs is described in more detail in the Overview transmittal.

As with any contract with schedule responsibilities, should the contractee fail to be ready, additional costs may be incurred. Should we enter into a contract for the CALWIN project with the vendor, there are additional potential costs if the consortium counties lag behind in the roll-out schedule, fail to adopt a network co-existence plan which is consistent with the vendor's requirements, or opt to provide their own equipment which fails to meet vendor specifications. Consortium counties are developing a risk mitigation plan to ensure they are ready for implementation. In the unlikely event that this would occur, counties would lose enhanced Statewide Automated Welfare System (SAWS) funding and could only expect the standard 85% State and Federal reimbursement.

CONTRACT HISTORY

The WCDS consortium has had previous contracts with EDS for maintenance of the current CDS system. The contract for CalWIN is new. We have taken the following steps in the procurement process to date:

<u>DATE</u>	<u>PREPARATORY TASK</u>
04/96	Contracted with Renaissance Global Solutions (RGS) formerly Eligibility Management Systems to be the procurement vendor
5/96 - 1/97	Developed an Invitation to Partner (ITP) defining our business requirements
1/97 - 12/97	Sought State and Federal approval

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CONTRACT HISTORY (continued)

<u>DATE</u>	<u>PREPARATORY TASK</u>
12/97 - 5/98	Solicited proposals from the vendor community by issuing the ITP
5/98	Received a proposal from the vendor
5/98 - 7/98	Evaluated the vendor's proposal
8/98 - 9/98	Reached agreement on modifications to the vendor's proposal to meet consortium counties' business requirements
10/98 - 4/99	Negotiated a contract with the vendor
11/98- 3/99	Conducted a cost analysis of the vendor's proposal via consulting firms hired by the Health and Welfare Data Center (HWDC)
5/99 - 10/99	Sought approval from our State and Federal agency stakeholders

REASON FOR RECOMMENDATION

The County's participation in the procurement of the SAWS CalWIN system is essential to the Agency's ability to continue to deliver benefits and employment services to our customers with a high degree of accuracy and to comply with State regulatory requirements. The system is necessary to stay up with current computer technology and replace the antiquated WCDS system.

CalWIN will facilitate better utilization of public and private resources to assist clients moving from welfare to self-sufficiency while improving operational effectiveness within the Social Services Agency. This system will provide staff with a tool which provides relief from burdensome

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REASON FOR RECOMMENDATION (continued)

research into complex rules and regulations and relief from manual budget computations. Staff will enter basic information about applicants and recipients including income, assets, relationship of household members and the system will automatically determine program eligibility and benefit levels.

This contract needs to be exempt from the County Contracting Principles since the contract is a product of the WCDS eighteen county consortium. Not all counties have the same issues and compromise is necessary to make the agreement work. This contract is identical for all WCDS counties and is based upon common agreement of all participating counties. As in all matters, any changes require agreement by all counties, as well as EDS, the contractor.

This agreement does not contain the exact Santa Clara County Y2K contract language for it is a product of the eighteen county WCDS consortium, and not all counties and the vendor could agree on exact wording. The agreement contains Y2K language which County Counsel has reviewed and determined protects the County adequately for the century date change. Also, work on this project will not start until the century date has changed.

BACKGROUND

Currently, the Agency uses the Welfare Case Data System (WCDS) for benefit issuance, employment services, child care, budget calculations, client correspondence, case management, and reporting for the CalWORKs, Medi-Cal, Food Stamps, Foster Care and General Assistance programs. It is a legacy system using older technology, has been in operation steadily for more than 31 years in the Agency, and has long outlived the normal operational cycle of a software application.

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BACKGROUND (continued)

We have successfully maintained our existing system for over 31 years through a structure of a Joint Committee and various subcommittees comprised of participating counties. The WCDS consortium is the best example of collaboration of large California counties over a long period of time. The consortium consist of the following counties: Santa Clara, San Mateo, San Diego, Sonoma, Tulare, Santa Cruz, Fresno, Solano, San Francisco, San Luis Obispo, Contra Costa, Placer, Alameda, Yolo, Orange, Santa Barbara, and Sacramento counties. Ventura County is the newest member and has joined the WCDS consortium for the CalWIN project. CalWIN is founded on the WCDS principals of counties joining together, compromising, and reaching consensus on the system's functionality in order to achieve the significant benefits of paying only a share of the total costs and sharing the expertise amongst counties. All planning and procurement processes to date for the CalWIN system has been accomplished in concert with the consortium counties.

CONSEQUENCES OF NEGATIVE ACTION

If the Santa Clara County Social Services Agency were not able to participate in the SAWS CalWIN project, there would be little opportunity for the County to procure an automated welfare system. This would result in the Agency being unable to comply with State regulatory requirements due to required functionality, which the current system lacks. It is not reasonable for the County to join one of the other three mandated State systems. Another option would be for Santa Clara County to develop and maintain its own automated welfare system with no State or Federal cost participation which would be prohibitively expensive. The County may not continue with the existing system without substantially increased costs, a loss in functionality, and risk of support loss for continued maintenance due to the antiquated technology currently used.

If we were to continue to run WCDS, we would be responsible for 100% of the cost for enhancements and have to maintain it without the help of our other consortium partner counties. However, some State and Federal funds may continue to be available for mandated changes to WCDS.

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STEPS FOLLOWING APPROVAL

1. Chairperson of the Board of Supervisors executes the contract and State HWDC MOU.
2. Clerk of the Board forwards original signed agreement, plus an additional copy with original county signature along with the State HWDC MOU to Social Services Agency, Administration, within ten working days.
3. The Social Services Agency will forward the signed agreement and MOU to the WCDS Manager, coordinator of executed amendments from all participating counties.
4. Upon receipt of all counties' signed agreement, the WCDS manager will return all originals to Social Services Agency for forwarding to the Clerk of the Board.

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Attachments:

CalWIN Agreement with EDS Corporation
State HWDC MOU