



## Legislation Text

**File #:** 11-0467, **Version:** 2

Health and Human Services Agency, Social Services Division, recommending the Board approve and authorize the Purchasing Agent to sign retroactive Amendment IV to perpetual Agreement for Services No. 925-S0811 with Environmental Alternatives, a group home/foster family agency, thereby increasing the maximum compensation from \$750,000 to \$1,200,000 effective Fiscal Year 2011-12; and further authorizing the Purchasing Agent to execute any subsequent amendments relating to said Agreement which do not affect the scope, compensation, or term of said Agreement contingent upon approval by County Counsel and Risk Management.

**Funding:** Federal and State Social Services funding (55%) with required County Share of Cost (45%) met primarily with realignment resources.

### **Budget Summary:**

Maximum Annual Cost:	\$1,200,000
Original Contract	\$500,000
Amendment I increase by	\$250,000
Amendments II & III	No increase
Amendment IV	\$450,000
Total Funding Available	\$1,200,000
Change to Net County Cost	N/A

### **Fiscal Impact/Change to Net County Cost:**

No change. Emergency shelter care services, which are necessary pending Court-ordered case disposition, require a 15% to 30% County share of cost. Court-ordered foster care placement services require a 40% to 60% County share of cost. The State reimburses the County for the federal and state share of cost in a varying ratio based on an array of circumstances. A total of \$6,139,410 was budgeted for FY 2011-12 and \$4,683,984 is included in the Health and Human Services Agency's budget for provision of emergency shelter care and foster care services during FY 2012-13. Funds for these services are budgeted annually based on projected need. The total not-to-exceed annual compensation of \$1,200,000 allows for anticipated potential usage.

### **Compensation:**

Compensation is based upon the non-negotiable State-assigned authorized rate of the group home/foster family agency providing services to the children placed at the facility. Payments to service provider are made monthly in arrears following notification that a child has been placed at the facility.

### **Termination:**

Agreement includes the County's standard Fiscal Considerations termination language as well as a provision for the County to terminate the Agreement without cause in seven (7) calendar days upon written notice.

### **Retroactive Term:**

Based on year-to-date usage, actual FY 2011-12 placement costs have exceeded Environmental Alternatives' currently contracted annual not-to-exceed compensation and it is anticipated that this level of usage will continue. In order for Health and Human Services, Social Services Division (HHSA/SD), to meet its current demand for services that may be accessed through Environmental Alternatives, a higher annual compensation threshold of \$1,200,000 is recommended.

**Background:**

On May 20, 2008, the Board of Supervisors (Board) authorized the Purchasing Agent to execute thirty-two (32) perpetual Agreements for Services for provision of emergency shelter care or foster care placement services, including Agreement 925-S0811 with Environmental Alternatives, which was executed on May 30, 2008, with an annual maximum compensation amount of \$500,000. On June 9, 2009, the Board authorized the Purchasing Agent to execute Amendment I to the Agreement to increase the maximum annual compensation amount to \$750,000 due to increased usage of this vendor's services. Amendment I was executed on June 22, 2009. On September 14, 2010, the Board authorized the Purchasing Agent to execute twenty-two (22) amendments to the perpetual group home/foster family agency Agreements to allow wards of court, who are the responsibility of the Probation Department, to also be placed at the contracted facilities, including Amendment II to Environmental Alternatives, which was executed on December 8, 2010. On April 20, 2011, the Board authorized the Purchasing Agent to execute eighty-four (84) Amendments to the perpetual group home/foster family agency Agreements, to approve new boilerplate language to include various auditing requirements that is required for all contracts with sub-contractors or sub-recipients that receive federal funds. Included in the 84 approved Amendments was Amendment III to Environmental Alternatives, which was executed on August 10, 2011.

**Reason for Recommendation:**

The increased and on-going demand for services provided by this vendor necessitates an increase in compensation. HHSA/SSD is recommending the continued use of this vendor's services due to their ability to offer placement options for clients in the Tahoe Basin area combined with their proven reliability and willingness to respond to HHSA/SSD's placement needs. Amendment IV to perpetual Agreement 925-S0811 will be effective upon execution and will increase the maximum annual compensation from \$750,000 to \$1,200,000 for FY 2011-12 and future fiscal years.

The El Dorado County Probation Department is also a party to this Agreement and shall be authorized to place children at this facility.

The maximum annual compensation amount of \$1,200,000 specified in this Agreement represents the not-to-exceed amount that may be received by the vendor during a single fiscal year. Working in conjunction with the CAO, HHSA has established a tracking system that regularly monitors the level of expenditures for combined placement services as well as for each individual vendor. This tracking system allows HHSA to ensure that overall expenditures remain within budget while also allowing sufficient time to amend any individual agreement for which actual placement costs will exceed its annual not-to-exceed maximum compensation amount. Services will only be accessed on an "as needed" and "as requested" basis.

Human Resources has determined that the nature of services provided by this group home/foster family agency negates the need for its review and subsequent approval of the Agency's intent to amend its contract with this vendor.

**Purchasing Agent Recommendations:**

The Purchasing Agent reviewed the Agency's request to enter into this Agreement and concurs that it is not necessary to conduct a competitive selection process as the services are court ordered. HHSA maintains purchase of services Agreements with multiple local, state, and national vendors for the provision of emergency shelter care services for its clients to ensure that clients can be referred by their caseworker on an "as requested" basis to receive necessary services from the most appropriate and conveniently located vendor. Choice of vendor is based on the specific needs of each individual HHSA client.

**Action to be taken following Board approval:**

1. Purchasing Agent to execute two (2) copies of the approved Amendment IV to Agreement 925-S0811 and return one (1) original of the Agreement to Health and Human Services Agency at 3057 Briw Road
2. Health and Human Services Agency to distribute the documents as appropriate.

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**Concurrences:** County Counsel, Risk Management, Purchasing Agent, and Human Resources.