



# County of El Dorado

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## Legislation Text

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Health and Human Services Agency recommending the Board authorize continuation of the Agency's current perpetual contracts and memoranda of understanding for Fiscal Year 2012-13 as listed on Attachment A and further detailed on Attachment B, in accordance with Section 4.5 of Board Policy C -17, "Procurement," which requires departments to "obtain authorization from the Board of Supervisors, initially and on an annual basis, to utilize any contract that does not have a stated term" for a variety of services.

**FUNDING:** The majority of the perpetual contracts are primarily funded with Federal and State funds or grants with County share of cost or required match met with realignment or other non-General Fund resources.

<b>BUDGET SUMMARY:</b>	
Total Estimated Cost.....	\$9,125,166
Budgeted.....	\$9,125,166
New Funding.....	
Savings.....	
Other.....	
Total Funding Available.....	\$9,125,166
Change To Net County Cost.....	\$0

### Fiscal Impact/Change to Net County Cost

No Change. These contracts represent a variety of funding sources and a range of required County match or share of cost dollars. Funding associated with the financial contracts is included in the Fiscal Year 2012-13 Recommended Budget based on anticipated expenditures of \$9,125,166. Attachment B lists the maximum annual compensation for each perpetual contract which, for the majority of these contracts, would seldom, if ever, be reached during any given fiscal year. The total maximum annual compensation for these contracts is \$27,551,182 of which \$23,175,000 is associated with placement contracts and \$4,376,182 is associated with non-placement related contracts.

### Compensation for Services

With a few exceptions, such as software maintenance and other contracts with set monthly or annual payment schedules, payments to each contractor is made within 45 days following the County's receipt and approval of itemized invoices. Payments are made to contractor based upon monthly invoicing at specified billing rates for actual services performed and documented per contract requirements.

## **Termination**

Termination option information, including Fiscal Considerations language, is detailed for each contractor on Attachment B.

## **Background**

The Health and Human Services Agency (HHSA) brings this matter before the Board pursuant to the requirements of County of El Dorado Board of Supervisors Policy Number C-17, "Procurement Policy" Section 4.5 to inform the Board initially and on an annual basis thereafter of contracts with no stated end term, as well as to advise the current Board that these contracts were approved by this or preceding Boards in the current or prior fiscal years and to enable the Purchasing Agent to prepare the necessary purchase orders for Fiscal Year 2012-13 to process payments associated with those perpetual contracts that are financial in nature.

## **Reason for Recommendation**

HHSA administers a number of perpetual contracts for a variety of services in order to ensure the provision of services that are mandated or otherwise necessary to HHSA operations and benefit the County and its residents. HHSA is advising the Board of 162 perpetual contracts for Fiscal Year 2012-13 and is requesting the Board's approval of the continued use of the following "for service" financial contracts:

Eighty (80) of the contracts are for the provision of emergency shelter care and/or foster care/group home placement services. Each of these vendors is assigned a limited annual maximum compensation amount ranging from \$100,000 to \$1,400,000 based on anticipated usage. Working in conjunction with the CAO, HHSA has established a tracking system that regularly monitors the level of expenditures for placement services by total amount expended and by individual vendor. This tracking system ensures that overall expenditures will remain within the department's annual budget, while also allowing HHSA sufficient time to amend any individual contract's maximum compensation due to heavier than anticipated placement costs resulting in the contract's annual not-to-exceed maximum compensation amount to exceed the compensation originally assigned to it.

The remainder of the perpetual contracts relate to a diverse variety of services, including nonfinancial memoranda of understanding (operational agreements) that set forth the roles and responsibilities of participating parties as it applies to HHSA clients and/or services as well as financial contracts concerning the provision a variety of services, such as healthcare services to indigent adults, software maintenance, Joint Power of Authority agreements, including one that details the formal structure for the use of the California Statewide Automated Welfare System Consortium IV (C-IV) system as it relates to determining the eligibility of Social Services clients for program-related services, a contract for the purchase of equipment necessary to provide said program-related services, contracts for the provision of retirement and medical disability for fire personnel displaced by agreement with County Services Area (CSA) 7, an agreement that addresses services related to the reciprocal handling of sensitive CPS cases between the County of El Dorado and Placer County, etc.

All services provided to clients under HHSA perpetual contracts are accessed on an "as requested" or "as needed" basis. In order to allow for fluctuations in usage of any given vendor and to limit administrative costs associated with contract amendments, the maximum compensation is set considerably higher than actual expected use and, therefore, the combined possible maximum annual compensation of \$27,551,182 for these contracts does not equal the amount budgeted each

fiscal year.

For HHSA Fiscal Year 2012-13 perpetual contracts, \$4,748,984 is budgeted for the provision of emergency shelter and foster care/group home placement services, \$3,768,780 is budgeted for the provision of various "as needed" or "as requested" services on behalf of HHSA clients, \$300,000 is budgeted for the provision of necessary computer equipment required by the California Statewide Automated Welfare System Consortium IV (C-IV) in order to manage and administer service delivery to needy families and families seeking employment services such as job training and placement programs, \$150,000 is budgeted for Retirement and Medical Disability for Fire Personnel displaced by Agreement with CSA 7, and \$157,402 is budgeted for the remaining perpetual financial contracts.

Attachment A provides a summary of the perpetual contracts.

Attachment B is a detailed spreadsheet that provides information describing services provided under each contract, fiscal obligations or budgeted revenues, County Counsel approvals, Fiscal Considerations language, and contract termination provisions.

Attachment C contains copies of Contract Routing Sheets that contain comments by County Counsel about certain contracts and clarifications from or required corrections made by HHSA.

Because each of these contracts is required for the administration and provision of important services to the community, HHSA is recommending their continuation.

### **Action to Be Taken Following Board Approval**

Purchasing Agent will encumber funds and establish blanket purchase orders necessary for payment of Fiscal Year 2012-13 costs associated with HHSA perpetual contracts as detailed on the Attachment A spreadsheet. HHSA will review and approve invoices upon receipt and forward requests for payment to the Auditor-Controller's Office. Auditor-Controller's Office to authorize payment of future invoices.

### **Contact**

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### **Concurrences**

County Counsel, Risk Management, Human Resources, and Purchasing Agent approvals were obtained prior to execution of each perpetual contract.