



County of El Dorado

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Legislation Text

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Human Services Department recommending the Board approve and authorize the Purchasing Agent to sign thirty-two (32) Agreements for Services, contingent upon County Counsel and Risk Management approval of said agreements, most of which are retroactive as to term, perpetual in nature and replace prior term-limited agreements with vendors, for the provision of emergency shelter care and/or foster care placement services; and requesting that the Board authorize the Purchasing Agent to establish blanket purchase orders as detailed on list to process payments for the remainder of Fiscal Year 2007/08 and for Fiscal Year 2008/09 payments associated with these Agreements.

FUNDING: Federal/State with Required County Share of Cost met primarily with realignment resources.

BUDGET SUMMARY:		
Total Estimated Cost		\$ 4,961,583
Funding		
Budgeted	\$ 4,961,583	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$ 4,961,583	
Change To Net County Cost		\$ 0

Fiscal Impact/Change to Net County Cost: No change.

Emergency shelter care services are necessary pending court-ordered foster care placement and require a 15% to 30% County share of cost. 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. Total FY 2007/08 costs are projected to be \$4,961,583. Estimated costs for FY 2008/09 are \$5,230,329 in anticipation of State-established rate COLA's and an increased need for provision of mandated child protective services resulting from the current economic environment. This amount has been included in the Department's FY 2008/09 budget request.

The total estimated cost for services *per vendor* is based on historical usage and anticipated need. In future fiscal years, funds will be budgeted based on anticipated potential usage and the Department will request authorization from the Board to establish annual blanket purchase order amounts for each contract prior to the beginning of each fiscal year.

Reason for Recommendation:

Human Services is responsible for the administration and provision of Child Welfare Services, which frequently involves the emergency removal of children from an unsafe situation or environment, followed by court-ordered foster care placement to ensure the ongoing safety of the children. DHS currently maintains term-limited agreements for the purchase of group home emergency shelter and foster care placement services with all identified potential vendors, locally, statewide and beyond, to ensure the placement of children removed from their home by Child Protective Services in the most appropriate location and environment to meet the widely varied needs of each individual child.

While usage with a given vendor may be occasional or sporadic, it is necessary to maintain a contractual arrangement with as many vendors as possible in anticipation of placement needs. When placement is court-ordered with a non-contracted vendor, an agreement is expedited retroactive to the placement date. Human Services has determined that revising all contracts with foster care group home vendors to be perpetual in nature would facilitate ongoing maintenance of these necessary agreements and ensure the ongoing availability of appropriate placement options.

The Maximum Annual Compensation for each Agreement represents the full amount that may be received by the vendor during a single fiscal year. Due to the inherent unpredictability in actual usage of any individual vendor (ranging from frequent to intermittent to rarely) the maximum annual compensation for each contract has been set at either \$250,000, \$500,000 or \$1,000,000 based on previous history with each vendor. These not to exceed amounts would seldom, if ever, be reached but would provide flexibility for the Department for any sudden increased need for multiple placements with a given vendor.

Human Services has been working diligently to bring its contractual agreements into full compliance with Procurement Policy C-17 as revised and has prioritized and amended agreements incrementally, in part due to staffing shortages during the past year. Additionally, miscommunications within the Department relative to the payment process for these services resulted in the misconception that certain contracts were not being used and that sufficient funding was therefore available to cover services during the remainder of FY 2007/08. Higher than anticipated usage of these particular vendors has necessitated higher than expected FY 2007/08 expenditures.

As a result, most of these agreements are being presented for execution retroactive to the day following expiration of the prior agreement. One agreement is with a new vendor with which a child was placed, and prior term-limited agreements with the remainder of the vendors expire before the end of the fiscal year.

County Counsel will provide initial conceptual approval of the format for these perpetual agreements, and all 32 agreements will be submitted for final review and approval by County Counsel and Risk Management. Human Resources has determined that the nature of the services provided by the foster family agencies and group homes negates the need for their review and approval of the Department's intent to contract with each individual vendor. Once County Counsel and Risk Management approval is received, vendor signatures will be obtained and the contracts will be submitted to the Purchasing Agent for execution. A list of the proposed contract vendors, perpetual agreement effective dates and maximum annual compensation amounts, the perpetual agreement format and the Department's expenditure history for these services are attached.

Action to be taken following Board approval:

Purchasing Agent shall execute agreements and establish blanket purchase orders necessary for payment of FY 2007/08 costs and, when appropriate, for FY 2008/09 costs associated with DHS perpetual service agreements as detailed on the attached spreadsheet.

Contact:

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Concurrences:

County Counsel and Risk Management shall review and approve each agreement prior to Purchasing Agent execution.