



County of El Dorado

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Legislation Text

File #: 10-0640, **Version:** 1

Department of Human Services advising the Board of ninety-seven (97) current perpetual agreements for services and memoranda of understanding as listed on Attachment A 10-0640.A.1-9 and recommending the Board:

- 1) Authorize continuation of said agreements, and
- 2) Authorize the Purchasing Agent to establish blanket purchase orders to process associated payments for Fiscal Year 2010-11.

FUNDING: The majority of the perpetual agreements for services are funded primarily with Federal and State allocations or grants with County share of cost or required match met with Realignment or other non-General Fund resources.

Maximum Annual Compensation Associated with Placement Agreements: \$22,950,000

Maximum Annual Compensation Associated with Other Agreements: \$ 1,342,830

Maximum Annual Compensation Associated with all Agreements: \$24,292,830

FY 10-11 Amount Budgeted for Placement Services: \$ 5,976,979

FY 10-11 Amount Budgeted for Other Services: \$ 1,119,206

Total Amount Budgeted for FY 10-11 Costs Associated with all Agreements: \$ 7,096,185

Fiscal Impact/Change to Net County Cost: No Change. These agreements represent a variety of funding sources and a range of required County match or share of cost dollars. Funding associated with the financial agreements is included in the FY 10-11 County Budget Request based on anticipated expenditures. Attachment A 10-0640.A.1-9 lists the maximum annual compensation for each agreement, which, for the majority of these agreements, would seldom, if ever, be reached during any given fiscal year.

Compensation for Services: With a few exceptions, such as software maintenance and other agreements with set monthly or annual payment schedules, payments to each contractor are 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 A 10-0640.A.1-9.

Reason for Recommendation: The Department of Human Services (DHS) brings this matter before the Board pursuant to the requirement of County of El Dorado Board of Supervisors Policy Number C-17, "Procurement Policy," Section 4.5 to inform the Board initially and annually thereafter of agreements with no stated end date, as well as to advise the current Board that these agreements 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 FY 10-11 to process payments associated with those perpetual agreements that are financial in nature.

A detailed listing of the agreements is provided as Attachment A. To summarize:

- 71 agreements are for emergency shelter and/or foster care/group home placement services and are funded by Federal/ State Social Services allocations with 15% required County Share of Cost met primarily with realignment resources.
- 11 agreements are non-financial operational agreements.
- 3 agreements allow for incoming revenues.
- 3 agreements are 100% funded by Federal Medicaid funds.
- 2 agreements provide for 100% reimbursement for any County-incurred costs.
- 2 agreements are 100% funded by annual State or Federal grant allocations.
- 1 agreement is funded by Federal/ State Social Services allocations with required County Share of Cost met primarily with non-General Fund dollars (California Statewide Automated Welfare System Consortium IV [C-IV]).
- 1 agreement is for mandated health care benefits to eligible In Home Support Services Public Authority providers with required County Share of Cost met primarily with realignment resources.
- 1 agreement is funded by a combination of General Fund dollars, client fees and Federal TCM revenues (Computrust Software Agreement for the Public Guardian Office).
- 1 agreement is 100% General Fund dollars (vehicle insurance associated with Operational Agreement with the City of South Lake Tahoe for the TRANSEN Program).
- 1 agreement is with Placer County for the reciprocal handling of sensitive CPS cases that is seldom, if ever, accessed but would be funded by the Federal/ State Social Services CWS allocation with 15% required County Share of Cost met primarily with realignment resources.

DHS administers multiple ongoing agreements with no stated end date to facilitate provision of services that are mandated or otherwise necessary to DHS operations and benefit the County and its residents. Ninety-seven (97) ongoing agreements are being brought to the Board's attention for FY 10-11. Seventy-one (71) of the ongoing agreements 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, DHS established a tracking system that regularly monitors the level of expenditures for placement services by vendor and in total. This tracking system ensures that overall expenditures remain within budget, while also allowing DHS sufficient time to amend any individual agreement for which actual placement costs will exceed its annual not-to-exceed maximum compensation amount.

The remainder of the ongoing agreements relate to a diverse variety of services, including software maintenance agreements, agreements that enable community agencies to participate in the County administered Medi-Cal Administrative Activities (MAA) Program, memoranda of understanding (operational agreements) that set forth the roles and responsibilities of participating parties as it applies to DHS clients and/or services and 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 DHS clients for program-related services.

All services for clients are accessed on an "as requested" basis. Because maximum compensation is

set considerably higher than expected to allow for fluctuations in usage of any given vendor and to limit administrative costs associated with contract amendments, the combined possible maximum annual compensation of \$24,292,830 for these agreements does not equal the amount budgeted each fiscal year. Only \$5,976,579 is budgeted for the provision of emergency shelter and foster care/group home placement services during FY 10-11. Of the \$1,342,830 maximum annual compensation associated with the other ongoing financial agreements, \$1,119,206 is budgeted for FY 10-11 including \$900,000 for IHSS Public Authority provider health care premiums mandated by an MOU between the IHSS Public Authority and United Domestic Workers of America.

Attachment A 10-0640.A.1-9 provides detailed information describing services provided under each agreement, fiscal obligations or budgeted revenues, County Counsel approvals, Fiscal Considerations language and contract termination provisions. Also attached are copies of Blue Routes containing pertinent comments by County Counsel about certain agreements. Because each of these agreements is required for the administration and provision of important services to the community, DHS is recommending their continuation. The list does not include agreements with no stated end date that may be coming before the Board in June 2010.

Action to be taken following Board approval: Purchasing Agent will encumber funds and establish blanket purchase orders necessary for payment of FY 10-11 costs associated with DHS agreements with no stated end date as detailed on Attachment A 10-0640.A.1-9 . DHS 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.

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Concurrences: County Counsel, Risk Management and Human Resources approvals were obtained prior to execution of each perpetual agreement.