



Board Agenda Item 84

DATE: June 20, 2023

TO: Board of Supervisors

SUBMITTED BY: Sanja Bugay, Director, Department of Social Services

SUBJECT: Memorandum of Understanding with the California Ventura Automated Collection System Association

RECOMMENDED ACTION(S):

- 1. Make a finding that it is in the best interest of the County to suspend the competitive bidding process consistent with Administrative Policy No. 34 for unusual or extraordinary circumstances as California Ventura Automated Collection System Association through the County of Ventura is the sole entity that maintains the Ventura Automated Collection System and is a governmental agency; and,**
- 2. Approve and authorize the Chairman to execute a Memorandum of Understanding with the California Ventura Automated Collection System Association to share ongoing software maintenance, system enhancements, and telephone support with member counties for the Ventura Automated Collection System, effective July 1, 2023 through June 30, 2024, total not to exceed \$13,174.**

There is no Net County Cost associated with the recommended actions. Approval of the recommended actions will allow the Department of Social Services continued use of the Ventura Automated Collection System (VACS) for recording and collecting debts that result from public assistance overpayments and over issuances as well as to support the transition to the new California Statewide Automated Welfare System (CalSAWS) to be implemented in September 2023. The agreement will be funded with State and Federal Social Services Funds, 2011 Realignment, 1991 Social Services Realignment, and budgeted Net County Cost, which offsets the General Relief Program share of cost. This item is countywide.

ALTERNATIVE ACTION(S):

Should your Board not approve the recommended action, the Department would be left without an effective debt collection system before the conversion to CalSAWS. From July 1, 2023 to September 4, 2023, the Department would need to build manual processes for all collection transactions, repayment receipts, and new debt collections. During this period, the interface between CalWIN and VACS would be discontinued, posing a risk of potential data loss and therefore an increase in manual corrections.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

The Department requests to suspend the competitive bidding process consistent with Administrative Policy No. 34 as the California VACS Association (CVA) through the County of Ventura is the sole entity that maintains VACS. Additionally, the recommended Memorandum of Understanding (MOU) is considered a contract with other local governmental agencies. The Internal Services Department - Purchasing Division concurs with the Department's request to suspend the competitive bidding process.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The maximum cost of the recommended agreement (\$13,174) will be fully offset with State and Federal Social Services Funds (\$12,770), 2011 Realignment (\$208) in lieu of State General Funds for Child Welfare Services and Adult Protective Services Programs that were realigned to counties through Assembly Bill 118 (Chapter 40, Statutes of 2011), 1991 Social Services Realignment (\$77), and the required Net County Cost (\$119) which offsets the General Relief Program share of cost. Sufficient appropriations and estimated revenues will be included in the Department's Org 5610 FY 2023-24 Recommended Budget.

DISCUSSION:

The County of Fresno is a member of the CVA, which is an unincorporated association of nine California counties that operate through an annual MOU (a joint powers agreement), with Ventura County IT Services as its fiscal agent. This item is the annual MOU for fiscal year 2023-2024. The CVA shares expenses for maintaining and enhancing VACS, a common, centrally maintained, welfare-specific collections system developed by the County of Ventura. Member counties pool their resources, experience, and expertise to improve the system's accuracy and usefulness. The Department's Finance Division utilizes VACS for the recording and collection of debts that result from Public Assistance overpayments and over issuances.

The Department will transition from its current eligibility determination system CalWIN to CalSAWS in September 2023, along with the utilization of its integrated debt collection system. During the period of July 1, 2023 to September 4, 2023, the Department will continue use of VACS for collection transactions until the transition to CalSAWS is complete. Following the transition, the Department will rely on VACS historical data for validation purposes and to manually enter any debts that do not automatically convert to CalSAWS. This will ensure a smooth transition and facilitate the necessary data management processes.

The CVA MOU requires Board approval since it is an agreement with another governmental agency. The current Agreement No. 22-290 was approved on June 21, 2022 and expires on June 30, 2023. The recommended MOU is effective July 1, 2023, through June 30, 2024. The County of Ventura, in accordance with the CVA, requires a complete FY renewal. Written notice of termination of membership must be provided to the CVA no later than 60 days prior to the end of the MOU term.

The MOU deviates from the County's standard contract language and does not include insurance provisions. Risk Management advised that the MOU does not cover liability in the event of default by other members of the CVA and there are no limitations to indemnity. The Department believes that the benefits outweigh the risk due to very low likelihood of default and minimal exposure per CVA member compared to the cost of implementing a viable alternative.

REFERENCE MATERIAL:

BAI #77, June 21, 2022

ATTACHMENTS INCLUDED AND/OR ON FILE:

Suspension of Competition Acquisition Request
On file with Clerk - MOU with CVA

CAO ANALYST:

Ronald Alexander