



Board Agenda Item 61

DATE: June 6, 2017

TO: Board of Supervisors

SUBMITTED BY: Delfino E. Neira, Director, Department of Social Services

SUBJECT: Amendment II to Agreement with BIT California LLC dba Document Fulfillment Services for Printing and Mailing Services

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute Amendment II to Agreement No. 11-336-1 with BIT California LLC dba Document Fulfillment Services for the automated printing and mailing of Social Services client correspondence, effective July 1, 2017, to extend the contract term by adding two optional one-year extensions and increase the maximum compensation by \$6,310,016 for a total compensation of \$21,173,286.

Approval of the recommended action will allow the Department of Social Services to continue printing and mailing mandated client correspondence for an additional two years on a fee-for-service basis, with no increase in Net County Cost.

A two-year extension is recommended to allow for the completion of a competitive bidding process organized by the County of Sacramento on behalf of the 18 California Work Opportunity and Responsibility to Kids Information Network (CalWIN) Consortium counties. In addition, the recommended action will enable the Department to utilize the vendor for correspondence to Department clients who are outside of the CalWIN and Ventura Automated Collection System (VACS) systems.

ALTERNATIVE ACTION(S):

There is no viable alternative action. The recommended Amendment will allow Document Fulfillment Services (DFS) to continue printing and mailing mandated client correspondence while the competitive bidding process is completed and a new Agreement is developed for your Board's approval. Should your Board choose not to approve the Amendment, the County will be unable to meet State and Federal mandated timeframes for client correspondence.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. DFS has agreed to keep all pricing identical for the duration of the extended contract. The maximum cost of the recommended Amendment is \$21,173,286, comprised of \$8,469,314 in printing costs and \$12,703,972 in postage costs, an increase of \$6,310,016 over the existing Agreement. The cost for each year of the two-year extension is \$3,155,008 and is comprised of \$1,262,003 in annual printing costs and \$1,893,005 in annual postage costs.

The cost of the Department's printing and mailing services will be offset with CalWIN Allocation and Social Services Program funds. CalWIN Allocation costs will be offset with Federal and State reimbursement (\$18,444,690) and 1991 Social Services Realignment (\$778,287) with the General Relief program share of cost funded by Net County Cost (\$121,273). The Social Services Program costs will be offset with State and Federal

Social Services funds (\$1,635,591) and 1991 Realignment (\$7,149) with the General Relief program share of cost funded by Net County Cost (\$2,921). In addition, 2011 Realignment funds will offset the former State share of the Child Welfare Services and Adult Protective Services Programs that were realigned to counties through Assembly Bill (AB) 118 (\$183,375). Vendor compensation is based on the actual documents printed and mailed on behalf of the Department. Sufficient appropriations will be included in the FY 2017-18 Recommended Budget for the Department of Social Services Organization 5610, and will be included in subsequent budgets.

DISCUSSION:

On May 24, 2011, your Board approved Agreement A-11-336 with DFS for the printing and mailing of social services client correspondence as a result of Request for Proposal (RFP) No. 7434 competitively bid by the County of Sacramento on behalf of all counties in the CalWIN Consortium. On March 10, 2015, your Board approved Amendment I to Agreement A-11-336 to extend the Agreement for an additional two years to allow sufficient time for the completion of a multi-county competitive bidding process, conducted by Sacramento County, for a new Agreement.

The Department's current Agreement with DFS is scheduled to expire on June 30, 2017. The Department intends to utilize the new RFP and subsequent Agreement developed by Sacramento County to take advantage of the reduced rates offered to the CalWIN Consortium. However, although a new RFP was conducted in 2016 and DFS was selected, the County of Sacramento has not yet entered into a new Agreement with DFS, pending the completion and results of a financial review. The recommended Amendment will allow sufficient time for the Department to either utilize the Sacramento RFP and Agreement upon completion, or release a separate RFP for services, and develop a new Agreement for your Board's approval, without interruption in client services.

In FY 2015-16, over 8.8 million pieces of mail were generated by the Department. The existing Agreement includes language that enables the Department to utilize the vendor for client correspondence through CalWIN and VACS. The recommended Amendment will enable the Department to utilize the vendor for correspondence to Department clients who are outside of the CalWIN or VACS systems as well.

REFERENCE MATERIAL:

BAI #47, March 10, 2015, Agreement No. A-11-336-1
BAI #49, May 24, 2011, Agreement No. A-11-336

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment II to Agreement No. A-11-336-1

CAO ANALYST:

Ronald Alexander