

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Social Services	(2) MEETING DATE 01/06/2015	(3) CONTACT/PHONE Trish Avery-Caldwell (805) 788-2601	
(4) SUBJECT Request to approve a renewal contract (Clerk's File) with Hewlett Packard Enterprise Services, LLC for CalWORKs Information Network Maintenance and Operations the period of February 1, 2015 through January 31, 2020 in the amount of \$4,091,583.			
(5) RECOMMENDED ACTION It is recommended that your Board approve, and direct the Chairperson to sign, a renewal contract with Hewlett Packard Enterprise Services (HPES), for CalWORKs Information Network (CalWIN) Maintenance and Operations (M&O) for the period of February 1, 2015 through January 31, 2020 in the amount of \$4,091,583.			
(6) FUNDING SOURCE(S) Fed/State/County	(7) CURRENT YEAR FINANCIAL IMPACT \$818,316	(8) ANNUAL FINANCIAL IMPACT \$818,316	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001476		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: n/a <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A    Date: 03/05/2013 _____	
(17) ADMINISTRATIVE OFFICE REVIEW  Emily Jackson			
(18) SUPERVISOR DISTRICT(S) All Districts			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Social Services Trish Avery-Caldwell  
(805) 781-1728

DATE: 01/06/2015

SUBJECT: Request to approve a renewal contract (Clerk's File) with Hewlett Packard Enterprise Services, LLC for CalWORKs Information Network Maintenance and Operations the period of February 1, 2015 through January 31, 2020 in the amount of \$4,091,583.

## **RECOMMENDATION**

It is recommended that your Board approve, and direct the Chairperson to sign, a renewal contract with Hewlett Packard Enterprise Services (HPES), for CalWORKs Information Network (CalWIN) Maintenance and Operations (M&O) for the period of February 1, 2015 through January 31, 2020 in the amount of \$4,091,583.

## **DISCUSSION**

As early as 1985 the California Department of Social Services (CDSS) had a vision for a Statewide Automated Welfare System (SAWS) to manage program delivery of social service benefits. However it wasn't until Fiscal Year (FY) 1995-1996 that funding was allocated and the Federal government mandated all welfare agencies in the State of California to develop and implement SAWS to streamline services and increase the accuracy of eligibility and benefit calculations. The end result was three (3) state systems: 1) CalWIN, 2) Los Angeles Eligibility Automated Determination, Evaluation and Reporting (LEADER), and 3) Consortium IV (C-IV). The County, along with seventeen (17) other counties, selected the CalWIN system.

The CalWIN system is a web-based, on-line, real-time automated system with multiple subsystems to support eligibility and benefits determination, client correspondence, management reports, interfaces and case management for public assistance programs. CalWIN supports the following social service programs:

- California Work Opportunity and Responsibility to Kids (CalWORKs)
- Refugee Cash Assistance (RCA)
- CalFresh (CF)
- Medi-Cal
- Cash Assistance Program for Immigrants (CAPI)
- In-home Supportive Services (IHSS)
- Foster Care
- Kinship Guardianship Assistance Payment Program (KinGAP)
- Cal-Learn
- General Assistance (GA)
- Healthy Families

In addition, CalWIN provides automated support for employment services for Welfare-to-Work (WTW), Child Care, and the CalFresh Employment Program.

The original Information Technology Agreement (Agreement) was approved by each of the 18 State consortium counties

of which San Luis Obispo is a member. The original contract was for 99-months and on January 4, 2000, your Board approved the original Agreement with Electronic Data Systems Corporation (EDS) that became effective February 2000. After the development and testing phase, the CalWIN system was implemented in San Luis Obispo County May 1, 2006.

The original 99-month contract with EDS was scheduled to terminate on July 31, 2008, however a request to amend the Agreement due to implementation delays went to the Board of Supervisors on December 4, 2007, Item #B-10, and your Board approved Amendment No. I to extend services through July 2010 and to increase the reimbursement amount of the Agreement to cover additional maintenance and operation costs. In 2008, during the term of the contract with EDS, EDS and Hewlett-Packard legacy services merged and became Hewlett-Packard Enterprise Services, LLC (HPES). Subsequently, Amendment II was approved by your Board on August 11, 2009, Item# A-16, to extend the contract and to increase the reimbursement amount through July 31, 2013. The Amendment II with EDS/HPES was requested to allow the WCDS Consortium to complete a competitive solicitation process for the continuation of the CalWIN maintenance and operation (M&O) services, resolve caseload cap issues and address business needs such as hardware and software upgrades.

In 2010, based on the approved Amendment II, the WCDS Consortium began the process to look for a capable CalWIN vendor via competitive procurement. Unfortunately federal-driven timelines and projects resulted in delays of this process and your Board approved Amendment III, Item# 5, on March 5, 2013, to keep HPES as the vendor of services through July 31, 2015. On March 1, 2013, the WCDS Consortium issued a Request for Proposal (RFP) in compliance with federal, state, and local laws to provide all interested parties an opportunity to bid on publicly funded contracts. The RFP was open for approximately five (5) months, closing on July 29, 2013. The RFP resulted in two (2) proposals and HPES was selected as the provider of CalWIN M&O services.

Hewlett-Packard (HP) is a multinational information technology (IT) corporation that provides hardware, software, and services to IT consumers. Founded in 1939 in California, HP is a nationwide provider of services and the world's leading manufacturer of personal computers since 2007. In 2008, HP legacy services merged with Electronic Data Systems (EDS) to become HPES, a business division of HP. HPES is ranked as one of the largest services companies with around 2,000 clients. HPES runs three (3) service catalogs: 1) Infrastructure Technology Outsourcing (ITO), 2) Application Services, and 3) Industry Services. Specific to this Agreement HPES will provide services that include the following:

- **MyBenefits CalWIN** – service provides a single access point that allows applicants/recipients to interact with CalWIN using an internet browser. Users can schedule appointments, access their benefit information, view incoming Redetermination/Recertification and Renewal (RRR) dates, email their case worker, and/or live chat, upload/download documents via scanning applications, and includes links to other self-help entities and other useful applications. The portal can display emergency information for users to be directed to staging areas.
- **CalWIN Mobile Application** – service allows Apple and Android smartphone users to: 1) get an overview of the programs and services offered in CalWIN, 2) check to see if a disaster has been declared in their area and if assistance is available, 3) find information regarding their CalWIN Benefits, and 4) find the nearest CalWIN office location by utilizing their smartphone's GPS.
- **ACCESS CalWIN** – service provides a centralized and standardized Interactive Voice Response (IVR) from which applicants/recipients can obtain up-to-date case information for the CalFresh, CalWORKs, Medi-Cal and General Assistance programs. The self-service automated system is available to answer the most common questions from our applicants/recipients; anytime of the day/night without County staff intervention.
- **Service Management Access and Resource Tracking (SMART) System** - service facilitates applicant/recipient self-sufficiency by streamlining service delivery through electronic information sharing. The SMART system provides the ability to interface with individual County service partners such as contractors, and other County agencies in coordinating services for clients.

Approval of the Agreement with HPES will ensure that the CalWIN system, which provides timely and accurate benefits to applicants and recipients of services, will continue to operate as needed and will maintain the integrity of the CalWIN system and support the County's vision of a community that is well governed. The total cost for San Luis Obispo County's share of services is outlined in the Financial Considerations section of this letter.

**OTHER AGENCY INVOLVEMENT/IMPACT**

The County actively participated in the consortium activities resulting in this Agreement. County Counsel has reviewed and approved this contract as to legal form and effect.

**FINANCIAL CONSIDERATIONS**

The HPES contract is a statewide contract that represents the computerized needs of the eighteen (18) consortium counties and is funded with the County’s annual CalWIN allocation of Federal and State funds which cover 94-96% of the cost of the contract. Only a small County share between 4-6% is required to pay for County-only programs like General Assistance (GA). The CalWIN allocation also provides expenditure reimbursement for other CalWIN related costs, such as project staff salaries, travel and equipment maintenance. This letter requests funding for HPES maintenance and operation (M&O) contract only, since the revenue and expenditure detail related to the CalWIN allocation is part of the annual budget approval process.

**State HPES CalWIN Contract Costs**

This Agreement will be effective February 1, 2015 and has a 5-year base period running through January 31, 2020. The pending contract will run concurrently with the existing contract for a period of six (6) months (February 1, 2015 – July 31, 2015) to ensure implementation of processes to carry out the services required under the new contract. Costs for the transition period are included in budget. This Agreement will be effective February 1, 2015 and has a 5-year base period running through January 31, 2020. The total cost of the pending contract is \$305,999,119 and includes \$204,455,229 for Contractor charges, up to \$40,000,000 for special Premise funds and up to \$61,543,890 for Change Requests. Two optional extension periods are available that extend the contract out to January 31, 2025

**County HPES CalWIN Contract Costs**

Each of the 18 consortium counties’ cost is determined by a sharing table calculation and the methodology is based on the county size and projected caseload percentage ratios. The total cost for San Luis Obispo County’s share of services over the 60 month term (5-years) is projected at \$4,091,583 (or approximately 1.3% of the \$305,999,119) with a net County cost of approximately \$245,495 (6%) after Federal and State reimbursement. Relative costs between counties may change due to factors such as caseload changes, specific programs charged for various work, and new premise funding.

The adopted FY 2014-15 DSS budget includes funding for CalWIN, including the HPES contract costs and will require no additional General Fund contributions. The table below reflects San Luis Obispo County’s HPES contract costs for prior and current fiscal years as well as the estimates for the five (5) fiscal years under the pending contract.

<b>HPES Contract Costs for San Luis Obispo County</b>				<b>Sharing Ratios*</b>	
Fiscal Year	Costs	State & Federal Share*	County Match	Fed/State	Co
12-13 Actual	\$ 711,799	\$ 670,234	\$ 41,565	94.2%	5.8%
13-14 Actual**	\$1,075,616	\$ 994,028	\$ 81,588	92.4%	7.6%
14-15 Estimate	\$ 713,854	\$ 670,904	\$ 42,951	94%	6%
15-16 Estimate	\$ 818,316	\$ 769,217	\$ 49,099	94%	6%
16-17 Estimate	\$ 818,316	\$ 769,217	\$ 49,099	94%	6%
17-18 Estimate	\$ 818,317	\$ 769,218	\$ 49,099	94%	6%
18-19 Estimate	\$ 818,317	\$ 769,218	\$ 49,099	94%	6%
19-20 Estimate	\$ 818,317	\$ 769,218	\$ 49,099	94%	6%
<b>Total Contract Costs</b>	<b>\$4,091,583</b>	<b>\$3,846,088</b>	<b>\$245,495</b>	<b>94%</b>	<b>6%</b>

\* Sharing Ratios are based on state estimated cost allocations which are based on estimated caseload counts.

\*\* Actual costs in FY 13-14 were high due to the implementation of the Affordable Care Act (ACA). New Premise items

for the development of the Cal-HEERS System interface were added to the CalWIN System Allocation.

**RESULTS**

1999-2014

In 2006 the CalWIN system replaced the WCDS system that was in operation for more than thirty-one (31) years in San Luis Obispo County. The new system was developed to meet current and projected programmatic data, tracking and technical needs. After converting from Case Data System (CDS) to CalWIN on May 1, 2006, the following outcomes have been realized:

- Pending applications have decreased approximately seventeen percent (17%) as processing speed has increased.
- Immediate need benefit issuance in CalWORKs and Expedited Services in Food Assistance are consistently completed timely (within 3 days of application).
- Regulations are applied in a more effective, consistent manner, as CalWIN is a regulation driven system, requiring less interpretation from the worker, and a benefit issuance review prior to authorizing benefits.
- CalWIN has resulted in a fifty percent (50%) reduction in forms inventory as both Department and State forms are now available on-line therefore reducing both the number of County maintained paper forms and storage costs.

**2014-2020**

*The results are a partnership between the CalWIN Consortium, California Department of Social Services (CDSS), and HPES who will be managing the CalWIN system necessary to provide benefits and program outcomes. The performance outcomes are listed in the Agreement and can be located in Exhibit C.*

*Service Level Agreement Matrix (SLA)*

<b>SLA #</b>	<b>SLA Name</b>	<b>Performance Standard</b>
3.1.1	System Availability CalWIN System	The CalWIN System will be Available 99.5% of the CalWIN System Availability Time.
3.1.2	System Availability Benefits CalWIN System	The Benefits CalWIN System shall be Available 99.8% of the Benefits CalWIN Availability Time.
3.1.3	System Availability ACCESS CalWIN System	The ACCESS CalWIN System shall be Available 99.8% of the ACCESS CalWIN Availability Time.
3.1.4	Wide Area Network (WAN) Availability	The WAN (Network equipment in the data centers) connection shall be Available 99.5% of the WAN Availability Time.
3.1.5	Release Quality within User Acceptance Test (UAT)	The Systems shall have a Release Quality Performance Standard of no more than one unique Deficiency per 1000 lines of Software Source Code introduced by the Contractor in a Release in UA.
3.1.6	Deliverable(s) produced in Change Request Delivered to UAT on Schedule	Deliverable(s) produced in Change Request and included in a Release shall be delivered to UAT no later than the baseline planned Release to UAT date set forth in the Release Work Plan.
3.1.7	Deficiency Resolution Timeliness	All priority Medium, High, and Urgent Deficiencies introduced into the Production environment with a Release and found in the first 90 Days after the operations effective date (OED) shall be resolved prior to the OED of the next Release or within 60 Days of entry into the Service Request tool, whichever is greater. All priority Low Deficiencies specifically introduced into the Production environment in a Release and found in the first 90 Days

SLA #	SLA Name	Performance Standard
		after implementation into Production shall be resolved within 150 Days after entry into the Service Request tool.
3.1.8	Batch Processing and System Outputs	All Systems processes and outputs, as identified in the System Operations Plan, shall be successfully completed and delivered on schedule ninety nine percent (99%) of the time.
3.1.9	Monthly Batch Issuance	One hundred percent (100%) of all monthly issuance jobs shall be completed by Contractor by the deadline of the monthly batch issuance schedule.
3.1.10	CalWIN System Transaction Response Time	Ninety eight percent (98%) of all monthly user initiated transactions, in between the County POP router and the Contractor's servers shall complete Processing in accordance with applicable Specifications within 8 seconds or less.
3.1.11	Eligibility Determination Benefit Calculation (EDBC) Transaction Response Time	Ninety eight percent (98%) of all monthly user initiated EDBC transactions in between the County point of presence (POP) router and the Contractor's servers complete Processing within 45 seconds or less.
3.1.12	Deficiency Service Ticket Resolution Performance	<p>Deficiency Service Ticket Resolution Performance shall be as follows:</p> <ul style="list-style-type: none"> <li>• Urgent Deficiency Service Tickets: 100% of County generated Service Request Tickets will be resolved within 14 Days of Contractor receiving the Service Request Ticket in the Service Request Tool Contractor queue.</li> <li>• High Deficiency Service Tickets: one hundred percent (100%) of County generated Service Request Tickets will be resolved within 30 Days of Contractor receiving the Service Request Ticket in the Service Request Tool Contractor queue.</li> <li>• Medium Deficiency Service Tickets: One hundred percent (100%) of County generated Service Request Tickets will be resolved within 45 Days of Contractor receiving the Service Request Ticket in the Service Request Tool Contractor queue.</li> <li>• Low Service Tickets: One hundred percent (100%) of County generated Service Request Tickets will be resolved within 90 Days of Contractor receiving the Service Request Ticket in the Service Request Tool Contractor queue.</li> </ul>
3.1.13	Disaster Recovery	Verify annually that disaster recovery procedures and facilities exist and that tests have been performed to allow for alternate means of System Availability within 24 hours in the event a Disaster has been declared for the Central Site Facility.
3.1.14	Backup Completion & Server Data Retention	At least 95% of all backup jobs scheduled to be completed within a month are completed in accordance with applicable Specifications within the Non - Business Operations Window.
3.1.15	Operations Deliverables and Reports Delivery	The Key Deliverables described in Attachment A of this Agreement shall be completed in accordance with applicable Specifications by the Contractor within five (5) working days after the date for completion as identified in the table within Attachment A.
3.1.16	Security Management Notice and Mitigation	Contractor shall notify Counties Executive Director within one (1) hour following the identification of any potential or actual major or minor incident, including any breach, any attack, or the introduction of any disabling device, related to the Systems.

SLA #	SLA Name	Performance Standard
3.1.17	Security Management Report	Contractor shall provide a high level and summary analysis in two hours and written report and assessment within eight hours to the Counties Executive Director following the identification of the major security incident regarding all actions taken concerning each identified major security incident, including any breach, any attack, or the introduction of any disabling device, the current status, and any potential impact(s) of the security incident.

The fully integrated CalWIN system has increased availability of required information to staff, improved notification to participants regarding changes to their benefits, and reduced system errors, which has resulted in consistently and accurately providing participants with correct information and benefits in a timely manner.

**ATTACHMENTS**

1. Attachment: Clerk's Statement for HPES Contract