

County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

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March 6, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**RECOMMENDATION TO AWARD A CONTRACT TO
SELECTREMEDY, TO PROVIDE TERMINAL OPERATOR
SERVICES FOR THE STATEWIDE FINGERPRINT IMAGING SYSTEM (SFIS)
(ALL DISTRICTS - 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that services performed under this contract can be performed more economically by Contractor than by County employees.
2. Approve and instruct the Chairman to sign the enclosed contract with SelectRemedy, for the provision of Statewide Fingerprint Imaging System (SFIS) Terminal Operator Services for the Department of Public Social Services (DPSS), effective April 1, 2007 through March 31, 2010, at a three-year cost of \$4,531,549. The contract cost is funded with CalWORKs Single Allocation and Food Stamp Allocation. The share of cost associated with General Relief results in an estimated three-year net County cost (NCC) of \$220,000, of which, \$18,000 is for FY 2006-07. Funding for this contract has been included in the FY 2006-07 Adopted Budget. Funding for future years will be included in the Department's budget requests.
3. Delegate authority to the Director of DPSS to prepare and sign amendments to the contract for a decrease in the contract costs, or for an increase of no more than ten percent of the total original contract amount when the increase is necessitated by additional and necessary services that are required for Contractor to comply with changes in federal, State, or County requirements.

The approval of County Counsel and the Chief Administrative Office (CAO) will be obtained prior to executing such amendments, and the Director will notify the CAO in writing within ten business days after execution.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The contract with SelectRemedy will provide approximately 44 skilled clerks (and additional skilled back-up clerks to cover absences) to continue operating SFIS fingerprint image workstations once the current contract expires on March 31, 2007. SFIS workstations are currently located in 32 DPSS offices.

The SFIS system has proved to be an effective tool in fighting fraud in the County's CalWORKs and General Relief cases. The use of trained contracted staff to operate the SFIS workstations in the interface with LEADER and the Statewide SFIS system ensures that duplicate aid matches on the system are accurately identified and processed.

Implementation of Strategic Plan Goals

The contract is consistent with the principles of the Countywide Strategic Plan Goal #4, Fiscal Responsibility; Strengthen the County's fiscal capacity.

FISCAL IMPACT/FINANCING

The Contractor will be paid a firm fixed hourly rate of \$16.34 and an overtime hourly rate of \$24.51 for providing terminal operators during the three-year period with no cost of living adjustment (COLA) increase. The maximum three-year contract cost is \$4,531,549 for 44 full-time skilled clerks and skilled back-up clerks.

Funding for the SFIS services of CalWORKs and Food Stamp program cases is from CalWORKs Single Allocation and Food Stamp Allocation. There is no NCC impact after the required Maintenance of Efforts (MOE) related to these programs is met by the County. The MOE is the County's matching fund obligation for the State CalWORKs Single Allocation funding. The cost associated with General Relief program cases results in an estimated three-year NCC of \$220,000, of which \$18,000 is for FY 2006-07.

The SFIS contract under the Proposition A exception to the civil service requirement to use County employees will save the County approximately \$829,112, a savings of 14.3 percent.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The contract term will be for three years, commencing April 1, 2007, or one day after Board approval, whichever is later, through March 31, 2010.

The Contractor will recruit and provide, throughout the contract term, skilled clerical staff to be trained as terminal operators to finger image applicants of the GR, CalWORKs and Food Stamp programs. Approximately 44 operators will be assigned to 32 DPSS offices located throughout the County. The Contractor will have trained back-up staff available in order to replace staff promptly should absences occur.

The award of this contract will not result in unauthorized disclosure of confidential information and will be in full compliance with federal, State and County regulations.

The Contractor will not be asked to perform services which will exceed the contract rates, scope of work, and contract term.

The CAO has approved the contract provisions for amendments to increase the contract amount when the increase is necessitated by additional and necessary services. The scope of the delegated authority to amend the contract has been approved by County Counsel.

The contract is in compliance with all Board and CAO requirements and has been approved as to form by County Counsel.

CONTRACTING PROCESS

Statewide Fingerprint Imaging System (SFIS) services were solicited through a competitive process in accordance with Los Angeles County Code section 2.121 and California Department of Social Services regulations on Purchase of Service, Chapter 23-600. On August 17, 2006, DPSS released a Request for Proposals (RFP).

DPSS advertised the solicitation by mailing interest letters to 103 potential bidders, including firms listed in the "County of Los Angeles Directory of Minority and Women-Owned Businesses." The Department also placed advertisements in thirteen newspapers, including publications targeting minority communities. Additionally, the RFP was posted on the Los Angeles County Bid Website and DPSS website.

In response to the August 17, 2006 RFP, the Department received four proposals and all met minimum mandatory requirements. Three of the four proposers advanced to the Oral Presentations, the final phase of the evaluation process. PDQ, the current Contractor, ranked the highest.

On December 19, 2006 a debriefing meeting was conducted in which two of the non-selected proposers participated.

All four of the proposers reported labor violations; however, the County's Labor Law/Payroll Violation Assessment Team determined that the violations did not warrant point deductions in any of the RFP scores.

During the evaluation process, PDQ Personnel Services, Inc., the winning proposer (and incumbent Contractor), notified DPSS that they were involved in a pending merger with Koosharem dba SelectRemedy. DPSS conducted a thorough review of the impact of the acquisition on the existing contracts and the pending solicitation and determined SelectRemedy would be able to fulfill the contract in the same manner as PDQ. SelectRemedy also qualifies under the RFP wage evaluation process as PDQ did during the RFP.

The Department has evaluated and determined that the Contractor fully complies with the requirements of the Living Wage Program (County Code Chapter 2.201) and agrees to pay its full-time employees providing County services a living wage.

The Auditor-Controller has reviewed the cost comparison and concurs that the contract is cost effective.

IMPACT ON CURRENT SERVICES

The award of this contract will not infringe on the role of the County in its relationship to its residents, and the County's ability to respond to emergencies will not be impaired. There is no change in risk exposure to the County. The contract will not result in reduced services.

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CONCLUSION

Upon Board approval, the Executive Officer, Board of Supervisors, is requested to return four adopted stamped Board Letters and four original signed copies of the contract to the Director of DPSS.

Respectfully submitted,



Bryce Yokomizo
Director

Enclosures

c: Chief Administrative Officer
County Counsel
Auditor-Controller
Executive Officer, Board of Supervisors
Office of Affirmative Action Compliance

**PROPOSITION A CONTRACTING
COMPARISON OF ESTIMATED AVOIDABLE COSTS TO THE COST OF
CONTRACTING SFIS TERMINAL OPERATOR SERVICES**

COUNTY COSTS

(44 Intermediate Clerks)

Direct Costs

Salaries & Bonuses	\$3,886,469
Employee Benefits	\$1,868,739
Equipment/ S&S	<u>\$ 60,404</u>

Total County Cost (Avoidable Costs for Prop A Purposes)	\$5,815,612
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CONTRACT COSTS

Direct Costs

Contract Cost	\$4,531,549
Other Costs	-0-
Total Direct Costs	<u>\$4,531,549</u>

Indirect Costs

Employee Retraining	-0-
Contract Monitoring (1 HSA I & 1 ITC)	<u>\$ 454,951</u>
Total Indirect Costs	\$ 454,951

Total Contract Cost	\$4,986,500
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Estimated Savings from Contracting	\$ 829,112
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**PROPOSITION A CONTRACTING
CONTRACT EMPLOYEE WAGES AND BENEFITS
SELECTREMEDY**

The proposed contract would save the County the cost of hiring staff to provide SFIS terminal operator services. The estimated three year savings is \$683,912 based on Auditor-Controller guidelines for cost comparison. Additional information on contract employees' wages and benefits is provided below.

COMPARISON OF WAGES

<u>Position</u>	<u>County Costs</u>	<u>Contractor Costs</u>
Intermediate Clerk	\$3,886,469	\$4,531,549
Employee Benefits	\$1,868,739	\$ 179,664

CONTRACTOR EMPLOYEE BENEFITS

Benefits

Health Plan	No. PDQ will pay Living Wage hourly rate at \$11.84 per hour in lieu of extending health care benefits.
Dental Plan	No
Sick Leave	No
Vacation	No. In lieu of vacation days, a bonus check equal to 1 week's is paid if employee has worked 1,800 hours. Employee eligible to this bonus after each 1800 hours worked.
Holidays	Yes, 5 days/year
Life Insurance	No
Retirement	No
Social Security	Yes

Health Benefits/Coverage

Annual Deductible	N/A
Benefits/Coverage Provided	N/A