



Philip L. Browning
Director

COUNTY OF LOS ANGELES
Child Support Services Department



April 22, 2003

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:

**REQUEST TO AUTHORIZE THE ACQUISITION OF A HIGH-SPEED MAIL
INSERTER SYSTEM WITH STREAMWEAVE DOCUMENT PROCESSING FOR
THE CHILD SUPPORT SERVICES DEPARTMENT
(ALL DISTRICTS – 3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the Child Support Services Department's request and authorize the Purchasing Agent to proceed with the solicitation of a high-speed mail inserter system with Streamweaver and Forward Trak features at a cost of approximately \$387,000, and approve the attached Budget Adjustment to transfer funding from Services and Supplies to Fixed Assets within the Department's current expenditure appropriation.

PURPOSE OF RECOMMENDED ACTION/JUSTIFICATION

The Child Support Services Department does not currently have any high-speed mail sorting/inserting equipment. Consequently, approximately 1.3 million documents generated by the Department for mailing each year are processed manually resulting in high costs in labor and processing time. The Department contracts with the Treasurer Tax Collector to mail an additional 2 to 4 million documents per year. The mail inserter will allow processing of this mail in house. The current inability to pre-sort mail using data stream equipment further prevents the Department from realizing postal savings and discounts. Postage costs for the documents processed in house alone exceed \$1,000,000 per year.

The proposed mailing equipment enables significant discounts through the pre-sorting of outgoing mail in zip code + 4 order and affixes the necessary Delivery Point Bar Code (DPBC) data, optimizing postal savings. The Streamweaver and Forward Trak features provide automated address changes on file with the United States Postal Service to be interfaced with our system to certify address accuracy before it is sent out; thereby eliminating the cost of reprocessing.

Furthermore, it eliminates the need for sending postal verification letters, which will expedite the process of locating non-custodial parents, facilitating the collection of support. It will also provide the necessary integrity of mailings by ensuring the proper number of documents are inserted and mailed for each case as indicated in the print command. The inserter has the capability to fold documents of varying thickness into smaller envelopes, resulting in further savings in postage and envelopes.

The Child Support Services Department is charged with the responsibility of mailing legal and financial documents to case participants within short deadlines to meet State and Federal mandates. The mailing equipment will greatly enhance the Department's ability to meet these critical time frames.

This purchase exceeds the \$250,000 fixed asset threshold established by your Board, and requires your approval to move forward with the solicitation and acquisition process.

Implementation of Strategic Plan Goals

This purchase supports the County's Strategic Goal 2; to enhance the quality and productivity of the County workforce, and Goal 3; to ensure that service delivery systems are efficient, effective, and goal-oriented. The Department will be able to process the bulk of its mailings centrally; thereby decreasing the number of staff engaged in duplicative mailing processes currently being performed in twelve different locations. This will create a positive work environment and boost employee morale.

FISCAL IMPACT/FINANCING

The Department has sufficient appropriation in the current 2002-2003 Fiscal Year to purchase the mailing equipment. A Budget Adjustment to transfer \$387,000 from Services and Supplies to Fixed Assets is attached. The Department has evaluated the option of lease to purchase over a five-year period versus a straight purchase. Based upon the expected life cycle of the new equipment and various other considerations of

comparative proposals, it is determined that it is more cost-effective to pursue the purchase of the equipment. Any product improvements can be acquired through software upgrades. The on-going maintenance costs will be funded out of the Department's existing budget.

The automation of the envelope stuffing function will mitigate the impact of staffing shortages caused by budget deficits and reduce costs for temporary staff currently assigned to perform this task. Postal savings are estimated at \$.06 to \$.09 per envelope, which converts to at least \$6,402 per month or projected savings of \$76,824 annually.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Department is federally mandated to send billing statements, wage assignments, notifications of court action, domestic violence notices, collection and distribution notices to case participants in accordance with California Family Codes 17400 and 17404. Failure to do so in a timely manner will result in significant penalties being assessed to the County and loss of revenue for future Child Support Programs.

CONTRACTING PROCESS

This is a fixed asset purchase under the statutory authority of the County Purchasing Agent. The purchase will be requisitioned through and accomplished by the Purchasing Agent in accordance with the County's Purchasing Policies and Procedures established by the Internal Services Department.

IMPACT ON CURRENT SERVICES

The mail inserter and equipment will provide the Department with the ability to meet United States Postal Services requirements and afford us the opportunity to process high volumes of mail on short notice in an efficient and cost-effective manner.

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CONCLUSION

Upon approval by your Board, the Executive Officer is requested to return adopted copies of this letter to:

1. Los Angeles County Child Support Services Department
5770 S. Eastern Avenue, 4th Floor
Commerce, California 90040
Attention: Penny Van Bogaert, Administrative Deputy

2. Internal Services Department
Purchasing Division
1100 N. Eastern Avenue, Room 102
Los Angeles, California 90063
Attention: Joe Sandoval, Division Manager

Respectfully submitted,

PHILIP L. BROWNING
Director

PLB:PVB:CM:ag

c: Chief Administrative Officer
County Counsel
Internal Services Department