



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Human Services Agency



Date: March 10, 2015
Board Meeting Date: April 14, 2015
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Iliana Rodriguez, Director, Human Services Agency

Subject: Amendment to the agreement with Document Fulfillment Services for client correspondence

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Document Fulfillment Services to continue generating client correspondence, extending the term to February 28, 2017, and increasing the amount by \$750,000 to an amount not to exceed \$1,500,000.

BACKGROUND:

On September 17, 2013, your Board approved an agreement with Document Fulfillment Services (DFS) waiving the Request for Proposal process and authorizing services to generate client correspondence. The Human Services Agency (HSA) migrated to the CalWORKs Information Network (CalWIN) on October 1, 2005, for the purpose of generating client correspondence. Due to the complexity of printing and mailing this correspondence, it was deemed necessary to contract out for these services. The specialized knowledge and efficiencies that DFS has developed since first contracting with the County of San Mateo in 2005 means DFS is considered an expert in providing these services, and has developed unique processes specifically for the County.

DISCUSSION:

This amendment with DFS will continue to provide for the printing of client correspondence in connection with CalWIN. The services to be provided by the Contractor will include 1) Daily pickup of data files from HP Enterprise Services Data Center; 2) Printing of all documents; 3) Folding; 4) Sorting; 5) Mailing via the United States Postal Service. The cost of services will cover all paper, envelopes and United States postage. For the period from 2015 to 2017, HSA will increase the expected monthly amount of the agreement due to higher than projected expenditures during the Affordable Care Act initial and subsequent open enrollment periods, and also extend the term of the agreement through the same period as Sacramento County to prepare for a

possible future joint RFP. The monthly invoices have trended upwards. During 2013 the monthly totals were as low as \$6,538 with less than 11,000 mailed pieces. By 2014, the average monthly total was \$32,000, ascending to approximately \$40,000 for the 2015 calendar year to date with over 32,000 mailed pieces. The original agreement amount of \$750,000 will be expended soon after August 2015. Extending the agreement through February 2017, will fund the remaining 17 months at approximately \$44,000 per month, which is 10% higher than the current monthly expenditure rate. HSA anticipates volume growth and the increase of postal rates by 5% for 2 ounce or heavier mail pieces on April 26, 2015.

County Counsel has reviewed and approved the amendment and resolution as to form and the Contractor meets the insurance requirements. The Contract Compliance Committee approved a 3-Year Waiver Request.

Approval of this amendment contributes to the Shared Vision 2025 outcome of a Prosperous Community by enabling the HSA to communicate with self-sufficiency clients in a timely manner, and, as a result, improve the lives of residents of San Mateo County. Contractor is expected to print, fold, sort and deliver 93% of the correspondence printed from HP Enterprise daily files to the United States Postal Service in time for next day delivery.

PERFORMANCE MEASURE(S):

Measure	FY 2014-15 Actual	FY 2015-16 Projected
Electronic files retrieved promptly from HP Enterprise Services' Data Center.	Within 3 Hours	Within 3 Hours
Percentage of correspondence from electronic files that are printed, folded, sorted and delivered to for next day delivery to client.	92%	93%

FISCAL IMPACT:

The term of the agreement will be extended by eight months to, July 1, 2013 through February 28, 2017. This amendment adds \$750,000 for a total obligation of \$1,500,000. Funding for the amendment is covered 100 percent by CalWIN allocations. The appropriations are included in the FY 2014-15 Adopted Budget and will be included in the FY 2015-16 and FY 2016-17 Recommended Budgets. There is no Net County Cost.