



London Breed, Mayor

Department of Human Services
Department of Aging and Adult Services

Trent Rhorer, Executive Director

MEMORANDUM

TO: HUMAN SERVICES COMMISSION

THROUGH: TRENT RHORER, EXECUTIVE DIRECTOR

FROM: DANIEL KAPLAN, DEPUTY DIRECTOR
JOHN TSUTAKAWA, DIRECTOR OF CONTRACTS *JuJ*

DATE: JANUARY 18, 2019

SUBJECT: **CONTRACT MODIFICATION: DXC TECHNOLOGY SERVICES, LLC TO PROVIDE OVERSIGHT AND MAINTENANCE OF THE CalWIN SYSTEM**

	<u>Current</u>	<u>Modification</u>	<u>Revised</u>	<u>Contingency</u>	<u>Total</u>
CONTRACT TERM:	7/1/15- 6/30/20	7/1/15 6/30/20	7/1/15 6/30/20		7/1/15 6/30/20
TOTAL AMOUNT:	\$15,134,345	\$7,835,723	\$22,970,068	\$2,297,006	\$25,267,074
ANNUAL AMOUNT:	FY15/16 \$3,909,509	FY16/17 \$4,739,083	FY17/18 \$4,321,476	FY18/19 \$5,000,000	FY19/20 \$5,000,000
FUNDING SOURCE:	County	State	Federal	Contingency	Total
MODIFICATION FUNDING:	\$985,416	\$5,972,218	\$16,012,434	\$2,297,006	\$25,267,074
PERCENTAGE:	4.29%	26%	69.71%		

The Department requests authorization to modify the existing contract agreement with DXC Technology Services, LLC for the time period of July 1, 2015 through June 30, 2020, in the additional amount of \$7,835,723 plus a 10% contingency for a total amount not to exceed of \$25,267,074. The purpose of this modification is to capture actuals costs for prior fiscal years and adjust estimated costs for FY18-19 and FY19-20 for oversight and maintenance of the CalWIN system.

Background

Sections 10823 through 10824 of the California Welfare and Institutions Code require counties to use computer data management systems to administer public benefit programs, join a consortium, and provide funding to maintain and operate the California

Work Opportunity and Responsibility to Kids Information Network (CalWIN), which is a central State data management system.

The CalWIN data management system is collectively managed by the 18 County CalWIN Consortium (the CalWIN Consortium) that shares costs associated with the continued development, implementation, maintenance, and operation of the CalWIN data management system. DXC Technology Services provides maintenance and operation of CalWIN under a Statewide master contract established by the Consortium.

Services to be Provided

CalWIN (California Welfare Information Network) is an online, real-time state system that supports the administration of welfare in California. These include CalWORKs, CalFresh (food stamps), Medi-Cal, (Medicaid), General Assistance/General Relief, Foster Care, and case management functions for employment services. It facilitates accounting and management reports, interfaces with the California state government, and satisfies the US federal mandate for the Statewide Automated Welfare System (SAWS). It is operated by the Welfare Client Data System Consortium joint powers authority (WCDS).

The contract modification includes the following:

- To cover San Francisco share of the cost in the Multi-County agreement;
- Improved project and portfolio management tools;
- New business intelligence process for data analysis and reporting;
- 8,500 hours per year of system enhancements;
- County share allocation

Explanation of Increased Cost

The DXC Technology Services, LLC contract was competitively bid by the Welfare Client Data Systems Consortium (WCDS) on behalf of the 18 WCDS Counties. This contract is negotiated by the State. San Francisco's costs are determined based on a percentage of cases among the 18 participating counties.

The original annual budget of \$3,026,869 was based on caseload data available at that time. However, due to factors discussed below, the actual annual cost as compared to the original annual budgeted cost was 29% more in FY 15/16, 51% more in FY 16/17 and 43% more in FY 17/18. Given these actual costs and the factors explained below, the annual budget for FY 18/19 and FY 19/20 is being adjusted to \$5,000,000.

The cost of maintaining and enhancing the CalWIN system has increased since 2015. In addition to the baseline cost of maintaining and operating the system, additional expenses have been incurred whenever the system needed to be modified in support of regulatory changes. One such example was the implementation of the Affordable Care Act (ACA), which required multiple, major changes to CalWIN in subsequent years, including a significant effort to accommodate a two-way interface with CalHEERS (California Healthcare Eligibility, Enrollment and Retention System). In addition, enhancements have been made to system functionality and new technology products developed to

support the strategic goals of San Francisco and/or the 18-county consortium. Some examples of these are the development of a more robust mobile app to enable clients to apply online using their cell phone. Another major initiative was the development of a business intelligence tool to facilitate data-driven decision making.

As a result of expansion of Medi-Cal, coupled with a parallel effort to increase enrollment in Cal Fresh through in reach and outreach initiatives, there was an increase in the number of individuals receiving aid, which in turn resulted in increased spending on system-related functions. Please see the attached Appendix B1 for more information on actual spending for prior fiscal years and the adjusted estimate for FY18-19 and FY19-20.

In the previous agreement, the City of San Francisco was invoiced for its participation in the CalWIN contract for \$.75 for each case utilized in the system; billing was based on the caseload of each county. Under the proposed modification, the cost methodology is based on county share. The City and County of San Francisco is responsible for 5.89% of the total consortium cost.

Funding

DXC Technology Services, LLC is funded by a combination of Federal, state and county general funds.

Attachments

Appendix B1 - Contract Budget Breakdown

DXC Technology Services, LLC - Appendix B1 - Contract Budget Breakdown- 7/1/2015-6/30/2020

	San Francisco FY 15/16 budgeted	San Francisco FY15/16 actual	San Francisco FY 16/17 budgeted	San Francisco FY16/17 actual	San Francisco FY 17/18 budgeted	San Francisco FY17/18 actual	San Francisco FY 18/19 budgeted	San Francisco FY18/19 estimate	San Francisco FY 19/20 budgeted	San Francisco FY19/20 estimate	San Francisco 5yr Total
DXC Technology Services, LLC	\$3,026,869	\$3,909,509	\$3,026,869	\$4,739,083	\$3,026,869	\$4,321,476	\$3,026,869	\$5,000,000	\$3,026,869	\$5,000,000	\$22,970,068
TOTAL CALWIN CONTRACTS	\$3,026,869	\$3,909,509	\$3,026,869	\$4,739,083	\$3,026,869	\$4,321,476	\$3,026,869	\$5,000,000	\$3,026,869	\$5,000,000	\$22,970,068