



**SAN FRANCISCO  
HUMAN SERVICES AGENCY**

Department of Benefits  
and Family Support

Department of Disability  
and Aging Services

Office of Early Care  
and Education

P.O. Box 7988  
San Francisco, CA  
94120-7988  
[www.SFHSA.org](http://www.SFHSA.org)



**London Breed**  
Mayor

**Trent Rhorer**  
Executive Director

**MEMORANDUM**

**TO:** HUMAN SERVICES COMMISSION

**THROUGH:** TRENT RHORER, EXECUTIVE DIRECTOR

**FROM:** DAN KAPLAN, DEPUTY DIRECTOR  
ESPERANZA ZAPIEN, DIRECTOR OF CONTRACTS

**DATE:** APRIL 22, 2022

**SUBJECT:** CONTRACT MODIFICATION: **DOCUMENT FULFILLMENT SERVICES (PROFIT) TO PROVIDE CALWIN DOCUMENT PROCESSING AND MAILING**

DS  
JG

	<u>Current</u>	<u>Modification</u>	<u>Revised</u>	<u>Contingency</u>	<u>Total</u>
<b>CONTRACT TERM:</b>	09/01/17 – 06/30/22	07/01/22- 12/31/23	09/01/17 – 12/31/23		
<b>CONTRACT AMOUNT:</b>	\$4,980,000	\$1,885,714	\$6,865,714	\$686,571	\$7,552,285
<b>ANNUAL AMOUNT:</b>	<u>FY 17-18</u> \$996,000	<u>FY 18-19</u> \$996,000	<u>FY 19-20</u> \$996,000	<u>FY 20-21</u> \$996,000	
	<u>FY 21-22</u> \$996,000	<u>FY 22-23</u> \$1,257,143	<u>FY 23-24</u> \$628,571		
<b>Funding Source MODIFICATION FUNDING: PERCENTAGE:</b>	<u>County</u>	<u>State</u>	<u>Federal</u>	<u>Contingency</u>	<u>Total</u>
	\$5,114,957 74.5%	\$652,243 9.5%	\$1,098,514 16%	\$686,571	\$7,552,285 100%

The Human Services Agency (HSA) requests authorization to modify the existing contract with Document Fulfillment Services for the period of July 1, 2022 to December 31, 2023, in an amount of \$1,885,714 plus a 10% contingency for a revised total amount not to exceed \$7,552,285. The purpose of the modification is to extend the existing contract for the period from July 1, 2022 through December 31, 2023 to support processing and mailing expenses related to client correspondence that the county is required to send to applicants and recipients.

### **Background**

The CalWIN automated welfare system produces various client correspondences such as Notices of Action (NOAs), informational notices and appointment letters in English and twelve other languages. A considerable portion of the correspondence is generated based on actions completed within the CalWIN system for eligibility determination and benefits calculation, employment services, child care, case management, and reporting for the CalWORKs, Medi-Cal, CalFresh, Foster Care, and County Adult Assistance Programs. Document Fulfillment Services (DFS) has been contracted by 16 of the 18 CalWIN counties to provide the printing, folding, handling and mailing of client correspondence.

### **Services to be Provided**

The contract modification for the Document Fulfillment Services will provide the following services:

- Laser imaging
- Finishing
- Bar-coding
- Pre-sorting
- Document merging
- Envelope insertion
- Mailing services maximizing US Postal discounts via 11 Digit post net bar coded.

### **Selection**

Sacramento County completed procurement as lead agency for the WCDS Consortium of CalWIN counties in June 2017 (RFP # 8352). Sacramento County and participating CalWIN counties have issued a 5 year contract on the RFP. This contract falls under RFP #8352 authority. They have an approval for the contract from their Board of Supervisors for an extension through 12/31/2023.

### **Funding**

The funding for this contract is a combination of County general funds (74.5%), State funds (9.5%), and Federal funds (16%).

### **ATTACHMENTS**

Appendix A-1

Appendix B-1

## **Appendix A1 - Services to be Provided**

### **Document Fulfillment Services**

7/1/2022 – 12/31/2023

#### **Purpose**

To provide CalWIN Client Correspondence printing and mailing services that facilitate the receiving and processing of electronic data transmitted via secure Secure File Transfer Protocol (SFTP) from the San Francisco Human Services Agency (HSA) and the CalWIN vendor, currently Gainwell Technologies, in Roseville, California; and to provide a complete solution for all operations related to printing and mailing of the client correspondence including provisions for envelopes stuffing services, as well as miscellaneous jobs as requested by the county.

#### **General Specifications**

The Welfare Client Data System (WCDS) is a consortium of eighteen (18) California counties that jointly developed and share an automated system called CalWORKs Information Network (CalWIN). CalWIN is the primary case management application utilized by SF HSA and seventeen (17) additional California counties to determine public assistance eligibility, compute and issue benefits, and track the provision of public social services.

The CalWIN system also generates client correspondence in batch for processing, which are printed and mailed out to customers. HSA and fifteen (15) of the eighteen (18) counties currently contract with the same print vendor, Document Fulfillment Services (DFS). Two counties presently act as their own print vendor.

A daily batch cycle process is normally run five nights a week, Monday – Friday, and a merged output file for each county is produced the following day. Currently, the CalWIN vendor transmits the data electronically to DFS by secure Secure File Transfer Protocol (SFTP). An additional batch process may occasionally be run on a weekend to process special jobs. These special jobs are also sent by SFTP. In addition to the daily process jobs, a monthly job is run approximately the third week of the month to produce periodic reports and sent by secure SFTP.

HSA also utilizes DFS for special jobs including printing and mailing application renewal packets and appointment letters. HSA uploads various miscellaneous print jobs onto a SFTP server for processing on a daily basis and around the third week of the month.

These are the only outputs intended for DFS to process by this agreement. DFS is to use the most economical and efficient process to print and mail correspondence.

HSA is engaged in a multi-year process to migrate from CalWIN to the California Statewide Automated Welfare System (CalSAWS), a single Statewide Automated Welfare System for all 58 counties. The target migration date for San Francisco is October 2023. Once San Francisco migrates to CalSAWS, client correspondence printing and mailing services will be completed through the CalSAWS print vendor.

## **Definitions**

**COUNTY** – The City and County of San Francisco Department of Human Services: a duly organized public entity. They may also be used as pronouns for various subsets of the County organization, including, as the context will indicate.

**CCSF DHSA** -- The City and County of San Francisco Department of Human Services aka COUNTY

**Purchasing** – The City and County of San Francisco Office of Contract Administration, Contract & Purchasing Services Division of the Department of General Services

**DFS** -- Document Fulfillment Services, 2930 Ramona Avenue, Suite 1100, Sacramento, CA 95826

**CalWIN** – CalWORKs Information Network computer system developed and operated by DXC Technology (formerly Hewlett Packard) from which output will be produced for printing, merging, and mailing.

**USPS** – United States Postal Service

**Gainwell Technologies** (Formerly DXC Technology) is the current vendor maintaining and operating CalWIN out of its Roseville, California site.

## **Technical Services Requirements**

Under this agreement, DFS will provide a number of required items and services. The list of required products and services as triggered by the business/operational process are as follows:

1. File types received as source files for the duration of this contract include, but are not limited to, PCL5 (Printer Control Language) and PDF (Portable Document Format). If a file format is requested outside those mentioned prior, COUNTY will work with DFS to determine a mutually appropriate implementation timeline.
2. The files DFS receives are typically pre-formatted. COUNTY understands that DFS needs to modify each piece to insert objects on the document to automate the mailing process. For example, adding barcodes for tracking, key line information for internal quality control.
3. Documents may be submitted to DFS as either simplex (printing on one side) or duplex (printing on both sides). Duplex is defined as laser printing (imaging) done to both sides of a sheet. Duplex printing implies two images per sheet passing through the printer, even if toner is only applied to one side of the sheet. Duplex and simplex printing cannot be

mixed. Simplex is defined as laser printing (imaging) done on the front side of a sheet. Simplex and duplex printing cannot be mixed.

4. DFS will utilize materials that are most efficient for mail automation and postage discounts based on job type. DFS will create a daily summary file of printed correspondence. The file shall contain information as selected by the COUNTY from the metadata in the batch print file. The file shall be in a mutually agreed upon file format and be sent to the COUNTY via SFTP or placed on DFS's secure SFTP site for pickup by the COUNTY.
5. DFS or COUNTY may update transmission methods with updates in technology during the contract period. These changes must be communicated with DFS or COUNTY as quickly as possible, preferably prior to, but no later than 10 business days after changes occur.
6. DFS shall charge the correct postage amount and also apply the date of mailing to each mail piece based on the weight and agreed upon USPS automation rate category. USPS will periodically change postage amounts and automation rate categories; upon USPS implementation dates, DFS shall apply the new postage amounts to each mail piece based on the weight and agreed upon USPS automation rate categories.
  - a. DFS shall apply postage using a meter or permit and apply the date of mailing on the envelope; DFS shall be reimbursed for meter or permit postage mail at the 3-digit, AADC automation rate, or similar rate. If USPS postage rate categories change in the future, DFS and COUNTY will work together to determine the closest postage rate category to the current category. Postal permit numbers supplied by the individual COUNTY are used for all return envelopes.
  - b. The most current automation postage rates are located at <https://pe.usps.com>. It is understood that as USPS postal rates change, the postage rates for this contract will also change and will be located at the referenced website.
7. Inserts
  - a. Offline Inserts shall be defined as correspondence previously printed and folded with the intention of being placed in an envelope as the completed product is being inserted. This will be charged as an insert by machine charge.
  - b. Offline Pre-Printed Inserts shall be defined where DFS performs the printing of the insert prior, and separately inserts the document into the completed product. This will be charged at the per image pricing for printing, plus the "insert by machine" fee as referenced in Appendix B.
  - c. Inline Inserts shall be defined as correspondence that is printed Inline with, and as a part of, the CalWIN documents. This will be charged the per image pricing for printing only.
  - d. Minimum Requirement for Inserts

Most correspondence will be printed on 8.5” X 11” plain white 20# paper stock. The text may be of varying length, printed on both sides of the paper, and possibly ten or more pages. Page size can be no smaller than 8.5” X 11” and no larger than 8.5” by 14”. A standard piece (two pages, mailing and return envelopes), without additional inserts, should weigh only slightly more than 1/2-ounce. Documents of varying sizes may need to be inserted into the same envelope. Paper should be close to 20# stock, OCR readable with recycled content. “Printed on recycled paper” shall be printed on all recycled-content paper and envelopes. Mailing envelopes should include pre-printed return address, postal indicia and glassine address windows. County specified TDD/TTY phone number or a similar number shall be visible on the front side of the outgoing envelope whether it is printed on the envelope itself or shows through the glassine address window.

- e. There are also once monthly print jobs that create renewal packets for several Social Services programs. These packets may contain between 50 and 100 images each. These are usually mailed in a 9”x12” envelope with a 6.5”x 9.5” return envelope.
8. The price per image for printing and mailing for each year must include the cost of materials (paper, envelopes, etc.) and cost of processing (pickup/courier service, receiving and batching data, printing, folding, inserting, presorting, delivery to the United States Postal Service [USPS], etc.). The price per image will equal to processing and printing one-side of a printed page, and one (1) each outgoing and remit envelope per completed mail piece. The price per image will be subjected to sales tax at the rate where it is produced.
  9. Service Levels - Jobs are to be broken into three (3) Service Level Categories
    - a. Daily – Files of this type must be received for mailing services by DFS no later than 6 AM Pacific Time for same day mailing.
    - b. Monthly or Periodic – The COUNTY may, from time to time, submit print files for processing but expect DFS to refrain from mailing until a date in the future.
    - c. Special – These jobs are for any type of mailing not defined above. The requests for this type of job will be made in writing from the COUNTY to DFS. DFS will attach the request as source documentation when invoicing.
    - d. COUNTY understands that mailing does not occur when the United States Post Office is closed, nor is mailing performed on any Federal holidays.
  10. Quality control measures
 

Quality Control must be inherent in the process. Duplicated, missing and misprinted documents and inserts and other errors must be identified and remedied before mailing. Mail must be in the hands of the USPS that night for next day mailing. Any errors or

variation must be reported to the COUNTY immediately. A report including the date and time items were mailed, the unique batch identifier, the number of documents printed, items mailed, inserts included, and postage used will be sent to each county daily at the completion of the process.

#### 11. Automated Processes and Tracking

- a. Errors not remedied by DFS's quality control, involving 100 or more pieces from a single mailing, will incur a penalty credit in favor of the COUNTY in the amount of \$.05 per letter plus reimbursement of any printing and postage paid by the COUNTY for the subject pieces. This will include client correspondence mailed after the target mailing date.
- b. DFS must be USPS CASS certified to ensure address cleansing and correction capability, and comply with the Intelligent Mail Barcode requirements. Letters shall be bar-coded and sorted for the best carrier route and delivery point available to maximize postage rate discounts.

#### 12. Miscellaneous

There will be circumstances in which special print, mailing, and document processing jobs will be needed by COUNTY that are not defined in this scope of services. These requests will be made in writing by the COUNTY to the DFS. DFS will include these written requests when invoicing for the services, based on agreed upon costs.

#### 13. Meeting Industry Standards

DFS shall meet related industry standards when providing services outlined in this scope of services in the following areas, but not limited to, receiving data and processing for USPS, mail piece specifications, letter size and weight of standard letter with envelopes, and reading and processing of the current CalWIN vendor original source files.

### **Record Keeping and Reporting**

- A. Additional documentation supporting all expenses to HSA are required to be presented in a mutually agreed upon file format and shall include, but is not limited to, reconciled counts of the following by work order, by day, and by month:
  - a. Printed images
  - b. Mail pieces mailed
  - c. Electronically processed documents (e.g., P.O. Box 7988 )
  - d. Added materials
    1. CalFresh recertification (RRR) packets
    2. CAAP appointment letters and various correspondence
    3. Any other county-specified materials
  - e. Voter registration forms
  - f. Other collateral material such as Notice of Language inserts, color flyers, etc.
- B. Additional documentation supporting all postage-related expenses to HSA are required to be presented in a mutually agreed upon file format and shall include, but is not limited to, the following detail for each mail piece by work order, by day, and by month:

- a. Type of postage as indicated by the current United States Postal Service Price List
  - b. Rate per piece
  - c. Weight
  - d. Pieces/Quantity
  - e. Total Charged Amount.
- C. DFS's records relating to this agreement will be made available upon request for inspection by the COUNTY.
- D. DFS shall maintain five years of back up material for all expenses submitted for reimbursement on the electronic claim form.
- E. DFS shall retain source files and output data for 90 days from file submission from the current CalWIN vendor.

### **Evaluation**

The COUNTY may at any time, evaluate this program. Adequate notice shall be given to DFS of such action, and DFS shall be given opportunities to participate and respond in the evaluation process.



**Appendix B1-Calculation of Charges  
Document Fulfillment Services  
7/1/2022-12/31/2023**

**I.** Contractor shall be paid according to the following fee schedule:

• Printing, inserting and other handling costs over a 12-month period	=	\$609,714
• Postage on the envelope over a 12-month period	=	\$647,429
<b>Total for 12-month period</b>	<b>=</b>	<b>=====</b> <b>\$1,257,143</b>

**Pricing Printing and Mailing Table:**

Budget Items	Unit Price
Laser Printing	\$0.0426
Additional Inserts by Machine Per 1,000 (shall include folding and inserting)	\$5.00
Additional Inserts by Hand Per 1,000 (shall include folding and inserting)	\$20.00
IT Changes - Enhancements per hour	\$85.00
Address Correction, Mail Forwarding, and a return file of address changes as a County option	\$0.02
Letter Size Postage (AADC) per mail piece up to 3.5 oz *	\$0.461
Flat Size Postage (3 digit) per mail piece for 6 oz *	\$1.73

\*Current USPS rates – Subject to Change

**II.** Budget

The budget amount for the period from July 1, 2022 through June 30, 2023 is \$1,257,143. The budget amount for the period from July 1, 2023 through December 31, 2023 is \$628,571. The total budget from July 1, 2022 through December 31, 2023 under this agreement is **\$1,885,714 plus a 10% contingency for a total amount not to exceed of \$2,074,285.**