



Agenda Submittal

Agenda #: 24 **Status:** Approved
Type: Contract **Department:** Health and Social Services
File #: 17-455 **Contact:** Gerald Huber, 784-8400
Agenda date: 6/27/2017 **Final action:** 6/27/2017
Title: Approve 85 Health and Social Services FY2017/18 contracts for a total of \$54,364,624 plus the accumulative aggregate of individual client service agreements effective July 1, 2017; Delegate authority to the County Administrator, with concurrence from County Counsel, to execute the contracts and amendments on the List of Contracts, including those waiting for final execution by the vendor, and any contracts and amendments that are within budgeted appropriations, including modifications to contract limits up to 20% of the total contract amount not to exceed \$50,000; Authorize the Director of Health and Social Services to execute any amendments which are technical or administrative in nature and have no fiscal impact; Adopt resolutions authorizing the County Administrator to execute revenue agreements, Memorandum of Understandings, and authorizing the Director of Health and Social Services to execute admission agreements for clients in need of a residential facility placement, admission agreements for clients in need of substance abuse treatment within budgeted appropriations, and the AIDS Master Grant Agreement; Delegate authority to the County Administrator to authorize grant submissions over \$50,000 and to the Director of Health and Social Services for grant submissions under \$50,000 in order to secure funding to maintain existing programs and projects; and Approve the delegation of authority to the Executive Director of the Public Authority to execute Board approved contracts and amendments for the Public Authority included on the FY2017/18 List of Contracts
Governing body: Board of Supervisors
District: All
Attachments: 1. A - Masterlist of Contracts (Alpha), 2. B - Masterlist of Contracts (Division), 3. C - Revenue Resolution, 4. D - AIDS Resolution, 5. E - Residential Treatment Services Master Agreement, 6. Adopted Revenue Resolution, 7. Adopted AIDS Resolution, 8. Minute Order, 9. Link to 2017-18 H&SS Master List Executed Contracts

Date	Ver.	Action By	Action	Result
6/27/2017	1	Board of Supervisors	Approved	

Published Notice Required? Yes _____ No X
Public Hearing Required? Yes _____ No X

DEPARTMENTAL RECOMMENDATION:

The Department of Health & Social Services (H&SS) recommends that the Board of Supervisors:

- 1) Approve 85 H&SS FY2017/18 contracts for a total of \$54,364,624 plus accumulative aggregate of individual client service agreements effective July 1, 2017 found on Attachments A and B; and
- 2) Delegate authority to the County Administrator with concurrence from County Counsel to execute:
 - a) FY2017/18 contracts and amendments included on the attached list that are waiting final execution by the vendor (Attachment C); and
 - b) Amendments to FY2017/18 contracts and amendments, included on the lists that are within budgeted appropriations, including modifications to contract limits in an amount not to exceed 20% of the total

contract not to exceed \$50,000, scope of services, and/or terms and conditions; and

- 3) Authorize the Director of H&SS or designee to execute any FY2017/18 contract amendments that are administrative or technical in nature and have no fiscal impact; and
- 4) Adopt a resolution (Attachment D) authorizing:
 - a) County Administrator or designee to execute revenue contracts, agreements and amendments;
 - b) County Administrator or designee to execute Memorandum of Understandings (MOUs) and MOU amendments which are included in the FY2017/18 budget, and those MOUs which have no budget impact;
 - c) Director of H&SS or designee to execute admission/placement agreements, including authorizations for services for clients placed in residential treatment facilities, board and care facilities, or any other treatment facilities as necessary within budgeted appropriations.
- 5) Adopt a resolution (Attachment E) authorizing the Director of H&SS or the Health Officer to execute the State of California AIDS Master Grant Agreement and amendments; and
- 6) Delegate execution authority to the County Administrator on behalf of H&SS to submit grant requests in excess of \$50,000 and to the H&SS Director for grant requests under \$50,000 in order to secure funding to maintain and/or restore service levels for existing programs and projects.
- 7) Delegate authority to the Executive Director of the In Home Supportive Services (IHSS) Public Authority to execute Board-approved contracts and amendments relating to the Public Authority and IHSS included on the attached list.

SUMMARY:

The Department of Health and Social Services (H&SS) develops and administers over 500 contracts and MOU's each fiscal year, many of which provide for routine and mandated ongoing services. H&SS is recommending approval of the H&SS FY2017/18 list of contracts as delineated in Attachments A and B, effective July 1, 2017. Contracts that are listed in Attachment C still require final execution by the vendor. The attached lists include new and renewal agreements for ongoing services which require Board approval because the contract limit is in excess of \$50,000. As in prior years, H&SS is requesting that the Board delegate authority to the County Administrator, or the H&SS Director, to approve agreements as specified above, in order to expedite the contract process and allow timely delivery of services for the benefit of H&SS clients and to ensure compliance with County, State, and federal regulations.

FINANCIAL IMPACT:

The FY2017/18 Budget includes sufficient appropriations for all contracts submitted on this list. Any amendments made to H&SS contracts, under the requested delegated authorities will be within H&SS' approved FY2017/18 appropriations.

Approval of the FY2017/18 contracts does not restrict nor otherwise limit the Board's ability to authorize an increase or decrease in the funding for any approved contract. In addition, Section 26 of Exhibit C of the County's Standard Contract's General Terms and Conditions allows for the County to terminate or amend a contract in the event that federal, State, or other funding becomes unavailable or is reduced during the term of the contract.

DISCUSSION:

The State of California, private and public foundations, and other public entities contract with the County to fund and provide a variety of services and programs. H&SS complies with all provisions of the County's

Purchasing and Contracting Policies in developing the contracts presented for approval in this report. Contractors are selected in accordance with the County's policies, and Requests for Proposals are generally issued every three to five years, except as exempted by County or State or federal policy and regulations.

Contracts

Pursuant to prior Board direction, the contract list has been sorted in two different ways, as follows:

- Attachment A - Alphabetical (with links to the contracts)
- Attachment B - By Division

The list includes the vendor name, a brief description of services, FY2017/18 recommended contract amount, the term ending date, and estimated percentage of County General Fund in each contract. H&SS is requesting that the County Administrator be authorized to execute all of the approved contracts.

Contract Amendments Related to Program Changes, Program Funding or Service Needs

Changes in service needs and/or program requirements are ongoing and often require amendments to existing agreements in order to continue effective service delivery. H&SS requests that the Board delegate authority to the County Administrator to approve and execute any FY2017/18 contract amendments that are within budgeted appropriations including modifications to scope of services and/or terms and conditions in an amount not to exceed 20% of the total contract amount and not to exceed \$50,000 per contract. With this delegated authority, H&SS has historically been able to avoid interruptions in service delivery, while providing effective services to clients and complying with State and federal regulations.

During the course of the year, it is also necessary to make minor technical and administrative amendments to some of these contracts. In order to expedite the processing of these amendments in an efficient manner, H&SS requests that the Board authorizes the Director of Health and Social Services or designee to approve and execute such contract amendments that have no fiscal impact.

Revenue Agreements, AIDS Master Grant Agreement and MOUs

The federal government, State of California, and other funding sources issue new and renewal revenue contracts which are received during the fiscal year and generally well after the July 1st start date. Authorizing the County Administrator, or designee, to execute these revenue agreements and amendments will assist with the process to maintain sufficient cash in the H&SS - Fund 902 and avoid an interest charge from the County Treasury. Some funds are received through a competitive process conducted at the State level and are considered grant funding for a specified service. Other funds are "categorical" in nature, and once accepted by the County, may only be utilized for the specified services identified. Other revenue agreements allow H&SS to bill for services provided, particularly those funded by Medi-Cal. Execution of these agreements must be expedited to allow H&SS to claim or bill for reimbursement as quickly as possible.

The State Office of AIDS provides funding for a number of HIV related services, all of which are incorporated into a Master Agreement which incorporates MOUs for each of the program areas. The State requires that the Board specifically authorize the Director of H&SS or designee to execute the Master Agreement and all related documents.

H&SS works collaboratively with other County departments, outside agencies, non-profits and other community partners. MOUs are developed to define roles and responsibilities, referral arrangements and other working relationships. Many of the MOUs are reviewed and renewed annually and are administrative in nature. The MOUs are reviewed by County Counsel as necessary. As an administrative efficiency, H&SS requests that the Board authorize the County Administrator, or designee, to execute these MOUs.

Specified Agreements for Client Services

In addition to the residential facilities contracts included in the master contract list Attachment A, H&SS routinely contracts on as needed basis with a wide variety of residential facilities to provide client care which often require immediate placement and it is necessary for H&SS to have the authority to execute admission/placement agreements with these facilities in a timely manner. By so doing, the County's liability is reduced and patient/client care is delivered efficiently. Attached is a blank sample agreement (Attachment E) used for these types of placements. The FY2017/18 Budget includes \$1,644,684 in appropriations for adult residential placements (Augmented Board and Care, Inpatient Hospital and Institutions for Mental Disease (IMD) and \$819,750 for child residential placements.

Delegated Authority to County Administrator to Authorize Grant Submissions Over \$50,000 and to the H&SS Director for Grant Submissions Under \$50,000 to Secure Funding to Maintain Existing Programs and Projects

H&SS staff seeks State, federal, and private grants to support and maintain or restore existing programs and services. In general, grant announcements are issued with short timelines for submission. Delegating authority to approve submission of grant applications to the CAO will allow for maximum flexibility in applying for additional funding, allow for timely grant submissions, and help maintain client services. If the grant is awarded, H&SS will return to the Board for appropriation of any additional grant funding received.

Delegated Authority to Executive Director of the Public Authority

Contracts for the Solano County IHSS Public Authority services are included on the H&SS' List of Contracts for approval. H&SS is requesting delegated authority to the Executive Director of the Public Authority to execute these Board approved contracts and amendments.

Cost Settlement with Children's Outpatient EPSDT Providers

For Fiscal Year 2017/18 children's EPSDT outpatient provider contracts, the Department has added contract language that allows cost settlement with the providers to the lower of their costs or published charges. Previously, cost settlement language was included; however, the language only addressed overpayments from the County. Children's outpatient EPSDT contracts are paid on an interim per minute rate by mode and service function code that is negotiated. Several years after the fiscal year closes, the State Department of Health Care Services (DHCS) will audit the County's cost report, including the vendor cost reports, and will cost settle with the County to lower of costs or published charges. Depending on the outcome, the County may owe DHCS monies or vice versa.

The Department is piloting cost settlement with these providers as they submit yearly cost reports that can be reconciled to the units of service provided. Historically, the County kept the reimbursement rate in line with the State's previous maximum allowance and gave the vendors a cost of living adjustment in FY2016/17. To recognize that the interim rate being paid is not keeping up with increases in costs of doing business, the County plans to engage in a cost settlement process with these vendors similar to the County's audit with DHCS. As DHCS caps the County's reimbursement to contract maximum amounts and cost settlements are performed after the contract expires, contracts may need to be amended after the termination date to ensure maximum State and federal reimbursement. The Department is recommending that delegated authority is given to the County Administrator to sign amendments to these contracts after they expire to ensure that maximum reimbursement is received through the County's cost settlement process.

ALTERNATIVES:

The Board may choose to address some or all of these contracts individually. This is not recommended because approving these routine contracts on an individual basis requires the preparation of multiple agenda items. Furthermore, individual approval may disrupt services to H&SS programs and clients.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved all contracts included on the lists for legal sufficiency.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION