



# San Bernardino County

## Legislation Text

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**File #: 4044, Agenda Item #: 22**

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### **REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN BERNARDINO AND RECORD OF ACTION**

**May 4, 2021**

#### **FROM**

**MARLENE HAGEN, Director, Children and Family Services**

#### **SUBJECT**

Amendment to Contract with International Business Machines Corporation for the Child Welfare Services/Case Management System

#### **RECOMMENDATION(S)**

Approve Amendment No. 3, effective December 1, 2020, to Contract No. 16-227 (Statement of Work Agreement No. 1501) with International Business Machines Corporation to provide ongoing data download support services for the Child Welfare Services/Case Management System, increasing the total contract amount by \$368,547.50, from \$297,430 to \$665,977.50, and extending the contract period by six years, consistent with the contract between the State of California and International Business Machines Corporation, for the total contract period of July 1, 2016 through November 30, 2026.

(Presenter: Marlene Hagen, Director, 387-2792)

#### **COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Provide for the Safety, Health and Social Service Needs of County Residents.**

#### **FINANCIAL IMPACT**

This item does not require additional Discretionary General Funding (Net County Cost). The increase to the Statement of Work Agreement (Agreement), in the amount of \$368,547.50 is funded by the Child Welfare Services allocation and is approximately 31% (\$114,250) federal, 37.2% (\$137,100) Realignment 2011, 11.1% (\$40,908) Realignment 1991, and 20.7% (\$76,289.50) Net County Cost. Adequate appropriation and revenue have been included in the Human Services Administration Claim 2020-21 budget and will be included in future recommended budgets.

#### **BACKGROUND INFORMATION**

The recommended amendment to the Agreement with International Business Machines Corporation (IBM) will allow Children and Family Services (CFS) to continue to receive ongoing data support services from IBM for the Child Welfare Services/Case Management System (CWS/CMS). CWS/CMS is the statewide system developed by the State of California (State) to automate welfare case management. The State has had an exclusive agreement with IBM since 1992 to maintain and modify CWS/CMS and provide the necessary technical support services. Pursuant to state and federal laws, CFS contracts exclusively with IBM for county-specific technical support of CWS/CMS under the State agreement with IBM (State Agreement No. 31091).

CWS/CMS provides State and county child welfare staff with a common database to share child protection

information, ensure compliance with child welfare mandates, and track case outcomes. CFS uses data extracted by CWS/CMS to develop detailed reports, which are analyzed to improve child welfare services and allocate resources. The Agreement cost reflects the County's share of recurring quarterly "Base Services" charges billed quarterly and "Database Change Service" charges billed upon delivery of CWS/CMS Database Change Service releases from IBM.

The recommended amendment, which was proposed by IBM in January 2021, will ensure the term and total contract amount are the same as those set in the amendment to the State agreement with IBM, executed on December 30, 2020. IBM would not provide an amendment to CFS until the agreement was finalized with the State.

IBM's performance will continue to be monitored by reviewing monthly invoices describing the services provided for compliance with the administrative, fiscal, and program terms and conditions of the Agreement.

The Agreement with IBM includes terms that differ from the standard County contract terms. The non-standard terms include the following:

1. Payment terms are Net 30 days.
  - County standard payment terms are Net 60 days with no interest or late payment penalties.
  - Potential Impact: County standard processing time is 60 days or more. Failing to pay within Net 30 days will result in a material breach of the contract, which could allow IBM to terminate the contract and seek other remedies.
2. The County may not terminate for convenience. The conditions for termination are the same as those set forth in the State's agreement with IBM (State Agreement No. 31091). The State's agreement with IBM allows the State to terminate for convenience with 90 days' notice and the parties will negotiate a termination settlement.
  - The County standard contract gives the County the right to terminate the Contract, for any reason, with a 30 day written notice of termination without any obligation other than to pay for services rendered and expenses reasonably incurred prior to the effective day of termination.
  - Potential Impact: If the State terminates its agreement with IBM, the County could also terminate its agreement with IBM and will then need to negotiate a termination settlement that will include payment to IBM for work performed up to the date of termination.

This item is being presented to the Board of Supervisors (Board) at this time, as CFS received the Agreement from IBM on March 4, 2021, and this is the first date available for presentation following the required administrative, operational, and legal reviews. Board approval at this time will not impact CFS' services or activities, as IBM has continued to provide services.

## **PROCUREMENT**

On May 24, 2016 (Item No. 54), the Board approved Contract No. 16-227 with IBM to provide ongoing data download support services for the CWS/CMS, in the amount of \$134,748, for the period of July 1, 2016 through June 30, 2019.

On May 21, 2019 (Item No. 47), the Board approved Amendment No. 1, effective May 22, 2019, to Contract No. 16-227, increasing the contract amount by \$90,124 to a total contract amount of \$224,872, and extending the contract by five months, for the total contract period of July 1, 2016 through November 30, 2019.

On January 7, 2020 (Item No. 15), the Board approved Amendment No. 2, effective December 1, 2019, to Contract No. 16-227, increasing the total contract amount by \$72,558 to a total contract amount of \$297,430, and extending the contract by one year, for the total contract period of July 1, 2016 through November 30,

2020.

In 1992, the State awarded IBM the contract to develop CWS/CMS as the statewide Child Welfare Management System. The State maintains a contact with IBM as the only firm authorized to provide hardware, software, and support services for CWS/CMS. IBM is responsible for enhancing and maintaining the integrity of CWS/CMS. The contract restricts counties from procuring these services from other vendors to ensure CWS/CMS meets federal and state requirements. Purchasing concurs with the non-competitive justification due to IBM being the only State approved provider of these services.

**REVIEW BY OTHERS**

This item has been reviewed by Human Services Contracts (Jennifer Mulhall-Daudel, Contracts Manager, 388-0241) on March 23, 2021; County Counsel (Julie Surber, Principal Assistant County Counsel, 387-5455) on March 24, 2021; Purchasing (Stacey Cho, Buyer III, 387-3377) on March 25, 2021; Finance (John Hallen, Administrative Analyst, 388-0208) on March 31, 2021; and County Finance and Administration (Tanya Bratton, Deputy Executive Officer, 388-0332) on March 31, 2021.