

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

963



FROM: DEPARTMENT OF PUBLIC SOCIAL SERVICES

SUBMITTAL DATE:
January 15, 2008

SUBJECT: Contract Agreement #AP 3670-00 with RTZ Associates, Inc.

RECOMMENDED MOTION: That the Board of Supervisors approve and:

1. Authorize the Chairman of the Board to sign the attached Agreement #AP 3670-00, between RTZ Associates, Inc. and the Department of Public Social Services (DPSS) to provide a software program that manages the health benefits of In-Home Supportive Services (IHSS) Home Care Workers for the period February 1, 2008 through January 31, 2009 in an amount not to exceed \$36,000;
2. Authorize the Purchasing Agent to sign any future ministerial amendments and renewal options for an amount not to exceed the contract maximum; and
3. Authorize the Director of DPSS to administer the program.

Susan Loew

Susan Loew, Director

(CONTINUED – 2 PAGES IN TOTAL)

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 36,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 8,683.20	Budget Adjustment:	No
	Annual Net County Cost:	\$ 8,683.20	For Fiscal Year:	2007/2008

SOURCE OF FUNDS: Federal – 37.3%, State-38.58%, County-24.12%	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: *Debra Cournoyer*
Debra Cournoyer

County Executive Office Signature

Dep't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

FORM APPROVED BY COUNTY COUNSEL
BY: *Larisa R. Meador*
Larisa R. Meador, County Counsel
2/1/08
Departmental Concurrence

Mark Seller
Mark Seller, Assistant Director
County Purchasing Department

Prev. Agn. Ref.: | District: All | Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.44

TO: BOARD OF SUPERVISORS

DATE: 01/15/08

Page: 2

SUBJECT: Contract Agreement #AP 3670-00 with RTZ Associates, Inc.

BACKGROUND:

The implementation of Assembly Bill 1682 (Chapter 90, Statutes of 1999) mandated that counties form an employer of record for independent providers (IP) of In-Home Supportive Services (IHSS).

As required by the statutes, the County of Riverside Board of Supervisors created, through County Ordinance 809, an advisory committee to review the various options for establishing an employer of record, and on June 11, 2002 (Agenda #3.15), approved County Ordinance 819 creating the Riverside County In-Home Supportive Services Public Authority to act as the employer of record for IHSS providers.

In December 2003, the IHSS PA's Board of Directors approved an MOU mandating health benefits for eligible independent providers. Riverside County DPSS contracted with RTZ Associates, Inc. to provide "HOMCare-FDS software", an automated system to track and monitor IHSS provider benefits. The current contract with RTZ associates was established in 2004 and will terminate on January 31, 2008.

On September 18, 2007, the Purchasing Department issued a Request for Proposal (RFP # DPARC-077) for IHSS Health Benefits Software. An invitation to bid was advertised on the Riverside County Purchasing website and was mailed to 10 customizable software companies. RTZ Associates, Inc. was the only respondent to the bid request. The evaluation team scored the single proposal at 40.6, out of a score range of 0-50. The evaluation team made up of IHSS PA and DPSS IT staff thoroughly reviewed the contents of the proposal. RTZ Associates, Inc. was found to be responsive and responsible.

The annual cost of \$36,000 is believed to be reasonable. Application service provider (ASP) fees are all inclusive and cover costs associated with remotely hosting the application in a redundant, secure, HIPAA-compliant environment. Their web hosting/lease fee of \$12,000 per year includes all licenses for up to 15 concurrent users, and minor system enhancements or customizations to accommodate programmatic changes. The Technical Support Fee of \$15,000 per year covers costs associated with determining health benefits eligibility. The additional fee of \$9,000 will cover the assembly and mailing of status notifications to providers on behalf of the Riverside County IHSS Public Authority.

Since the HOMCare-FDS software application is already used by the Riverside County IHSS Public Authority, no conversions of historical data are necessary. Other benefit programs (such as dental and/or vision benefits) that use the same eligibility criteria will be processed, at no additional charge.

Therefore, the Director of DPSS requests that the Board approve and execute the attached Agreement # AP 3670-00 between Riverside County Department of Public Social Services (DPSS) and RTZ Associates, Inc.

FINANCIAL DATA: Federal-37.3%, State-38.58%, County-24.12%

CONCUR/EXECUTE – County Purchasing

Date: November 21, 2007
From: Susan Loew Department/Agency: IHSS Public Authority - DPSS
To: Board of Supervisors
Via: Purchasing Agent
Subject: Request for Single Source Procurement

The information below is in support of my request for approval of a single source purchase.

Supply/Service being requested:

- ❖ A software program that manages the health benefits of In-Home Supportive Services (IHSS) Home Care Workers. The software must be able to interface with the data from the State Case Management, Information, and Payrolling System (CMIPS) for IHSS. The CMIPS system is used statewide to authorize and track benefits to In-Home Supportive Services consumers and providers. The Health Benefits tracking component of the software must be able to use data in CMIPS and add Union and external fees paid to the provider for complete management of health benefits. Having an automated process ensures efficient data management as it relates to IHSS Home Care Workers.

Supplier being requested:

- ❖ RTZ Associates, Inc.

Alternative suppliers that can or might be able to provide supply/service:

- ❖ Neither RTI nor DPSS IT submitted proposals for consideration in response to this RFP. RTI did not submit a proposal due to address inconsistencies. The DPSS IT Department does not have a suitable software application ready for immediate implementation at this time. County IT has expressed interest in possibly providing a software solution in the future.

Extent of market search conducted:

- ❖ The market search included issuing a Request for Proposal (RFP – DPARC-077) through the County Purchasing & Fleet Services Department web site. Additionally, invitations to bid were mailed to 10 software companies that offer customizable solutions.

- ❖ The RFP resulted in the submission of one proposal. In an effort to ascertain the reasons for the limited response, DPSS conducted follow up phone calls to vendors who were sent personal bid invitations. DPSS received responses as follows:
 - Although the majority of vendors provided customizable software, they were not familiar with the requirements of IHSS Homecare Worker Health Benefits tracking or Public Authority mandates. These software solutions were not customarily compatible with the CMIPS State database.
 - RTI stated that they never received the invitation to bid due to a recent address change. However, the address the invitation to bid was mailed to (Bidder's List) is the address that appears under contact information on the company's website to date. RTI indicated that they would be interested in receiving personal invitations of RFP's of similar nature/service for the future.

Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:

- ❖ This vendor has provided the software system known as "HOMCare-FDS Health Benefits Software System", an automated system to track and monitor Home Care Provider Benefits to Riverside County IHSS PA for the past 3 years. In addition to the Health Benefits tracking system, RTZ has provided the HOMCare Registry matching system to Riverside County IHSS AP for the past 3 years. The Registry system matches
- ❖ This vendor works directly with Riverside County IHSS PA staff to collect and maintain Health Benefits information. RTZ's product is customizable, no additional software licenses are needed, and it has a one way interface with the state application CMIPS that reduces data entry errors.
- ❖ This vendor currently provides IHSS health benefits management services and HOMCare-FDS software to the public authorities in the following counties: Kings, Los Angeles, Riverside, San Bernardino, San Joaquin, Sutter, and Tulare. Collectively, these counties comprise approximately 65% of the total number of IHSS providers in California.
- ❖ This vendor has proven its technical capacity to provide IHSS health benefit management software and services. RTZ staff has worked with public authorities since their inception, and helped establish the first IHSS health benefit program in the State. Today its HOMCare-FDS system track more IHSS providers in the State than any other software application.
- ❖ RTZ currently provides IHSS health benefit management services and HOMCare-FDS software to the public authorities

- ❖ A 2004 comparison of RTZ and RTI based products (see attached comparison sheet) conducted by DPSS IT and IHSS PA staff revealed that RTZ was the most suitable vendor because its product is customizable, no additional software licenses are needed, one way interface with the state software application CMIPS reduce data entry errors. Additionally, the software was found to be user friendly and the client application report can be generated by both RTZ and DPSS-IT and store in house. More importantly, RTZ was found to be more cost effective and did not require the use of full time PA staff to collect and enter health benefits information into the system.
- ❖ In compliance with Board of Supervisors Policy H-11, awarding the contract to RTZ Associates, Inc. meets the objective of giving maximum flexibility to departments with regard to information systems and services while assuring that the high costs of unwarranted systems duplication and incompatibility are avoided by the County.

Reasons why my department requires these unique features and what benefit will accrue to the county:

- This software application will allow for the continuation of successful health benefits tracking without interruption.
- This bid includes unlimited technical support at no additional cost. Customer support staff is available from 7 am to 6 pm Pacific time; project managers may be contacted via cell phone outside of business hours.
- Unlike other vendors that have few employees knowledgeable about the IHSS program, RTZ staff has extensive experience providing technical assistance and software solutions to public authorities.
- Public authorities currently have no automated means to identify missed health benefit fees and union dues. Within the next year RTZ will introduce a module (available at no or modest cost, depending on the amount of development involved) that will automatically identify providers that have not paid their share of the premium, and calculate the amount due.

Price Reasonableness:

- ❖ The total proposed cost of \$32,075 annually is believed to be reasonable. Application service provider (ASP) fees are all inclusive, and cover costs associated with remotely hosting the application in a redundant, secure, HIPAA-compliant environment. Their web hosting/lease fee of \$12,000/year includes all licenses for up to 15 concurrent users, and minor system enhancements or customizations to accommodate programmatic changes. The Technical Support Fee of \$15,000/year covers costs associated with determining health benefits eligibility. Since the HOMCare-FDS software application is already used by the Riverside County IHSS Public Authority, no conversions of historical data are necessary. Other benefit programs (such as dental and/or vision benefits) that use the same eligibility criteria will be processed, as desirable, at no additional charge. The additional fee of \$5,075/year would cover the assembly and mailing of status notifications to providers

- on behalf of the Riverside County IHSS Public Authority that RTZ provides. The proposed cost of \$32,075 is 10% lower than the existing contract amount of \$37,400/year which is scheduled to expire November 30, 2007.
- ❖ There are approximately 12,000 home care workers potentially eligible for benefits. Currently, there are 2,266 home care workers enrolled in the health benefits program. At this time, medical insurance coverage is offered through Exclusive Care to eligible home care workers. Plans are underway to offer dental insurance coverage and a discounted vision program in early 2008. As stated in RTZ's proposal, other benefit programs (such as dental and/or vision benefits) that use the same eligibility criteria will be processed, as desirable, at no additional charge.
- ❖ Other vendors are projected to have significantly higher costs due to required data conversion, implementation, training, and additional charges for maintenance and upgrades that would be required to move to another software system.

Does moving forward on this product or service further obligate the county to future similar contractual arrangements?

❖ No
Susan Jew _____ *2/6/08*
 Department Head Signature Date

Purchasing Department Comments:

Approve _____ Approve with Condition/s _____ Disapprove _____
[Signature] _____ *11-26-07*
 Purchasing Agent Date