

539



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

FROM: Auditor-Controller

SUBMITTAL DATE:
February 26, 2013

SUBJECT: Approval of Service Agreement Addendum with Business Controls, Inc. as the Sole Source Vendor for the County of Riverside's Fraud, Waste and Abuse Prevention Program with the Office of the Auditor-Controller

RECOMMENDED MOTION: That the Board of Supervisors:

- 1) Approves Business Controls, Inc. (d.b.a. MySafeWorkplace®) as a sole source vendor for secure, third-party anonymous incident reporting services;
- 2) Approves the Auditor-Controller, or designee, to sign the service agreement addendum with Business Controls, Inc.; and
- 3) Approves a 2-year prepayment of \$33,673 for Business Controls, Inc. services from February 2, 2013 through February 2, 2015.

BACKGROUND: On September 1, 2009 (M.O. 3.19), the Board of Supervisors approved Policy C-35, Standards of Ethical Conduct to Address Fraud, Waste and Abuse. Approved along with this policy was the implementation of the County's Fraud, Waste and Abuse Prevention Program.

(Background continued – page 2)

Paul Angulo

**Paul Angulo, CPA, MA-Mgmt
Auditor-Controller**

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 33,673	In Current Year Budget:	YES
	Current F.Y. Net County Cost:	\$ 33,673	Budget Adjustment:	NO
	Annual Net County Cost:	\$ 0	For Fiscal Year:	12/13

SOURCE OF FUNDS: Department Budget	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE

BY: *Karen L. Johnson*
Karen L. Johnson

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Ashley, seconded by Supervisor Benoit and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley
 Nays: None
 Absent: None
 Date: February 26, 2013
 xc: Auditor, Purchasing

Kecia Harper-Ihem
Clerk of the Board
By: *Kecia Harper-Ihem*
Deputy

3-20

FORM APPROVED COUNTY COUNSEL
 BY: *W. A. Gardner* 2/14/13
 DATE
 Departmental Concurrence
 W. A. GARDNER
 Purchasing: *Mark Seller* Assistant Director
 Policy Policy
 Consent Consent
 Dept's Recomm.: Per Exec. Ofc.:

SUBJECT: Approval of Service Agreement Addendum with Business Controls, Inc. as the Sole Source Vendor for the County's Fraud, Waste and Abuse Prevention Program with the Office of the Auditor-Controller

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BACKGROUND CONTINUED:

On October 16, 2012 (M.O. 3.12), Policy C-35 was modified to update the website address and clarify which offenses should be reported to the website and the fraud, waste and abuse hotline.

Since the program implementation in 2009, Business Controls, Inc., which does business as MySafeWorkplace®, has been our service provider for anonymous and confidential incident reporting of fraud, waste and abuse. The MySafeWorkplace® website and phone service has been instrumental in the reporting and investigation of over 375 incidents around the County. A forthcoming agenda item will be presented to the Board regarding the effectiveness and scope of incident reports that the program has had thus far.

PRICE REASONABLENESS:

As the need for such services has flourished, the costs for MySafeWorkplace® have elevated as well. With the County's number of employees at over 19,000, they are currently offering a 1-year price of \$19,897 or a 2-year prepayment price of \$33,673, or \$16,836.50 per year. The Auditor-Controller's Information Technology Division has stated that the pricing is reasonable and lower than the top vendors of similar services. By making a prepayment for the 2-year service agreement, the County will save over \$6,000 for the term of the agreement. Therefore, we are asking the Board to approve the 2-year prepayment of MySafeWorkplace® services for the fraud, waste and abuse prevention program.

REVIEW/APPROVAL:

Purchasing concurs with this request.
County Counsel approves as to form.

SERVICE AGREEMENT ADDENDUM

This Addendum is to the Service Agreement ("**Agreement**") by and between Business Controls, Inc., dba MySafeWorkplace®, a Colorado Corporation, with offices at 5995 Greenwood Plaza Boulevard, Suite 110, Greenwood Village, Colorado 80111 ("**Business Controls**") and The County of Riverside, California ("**Client**") located at 4080 Lemon Street, 11th Floor, Riverside, California 92501, which was executed April 5, 2011. This Addendum is effective as of the date shown by Client in the signature block at the conclusion of this Addendum.

Client requested renewal of the Agreement, with modification of the following contract provisions:

- 2.2. Service fees of \$33,673, due within thirty (30) days of the invoice for services, representing an annual fee of \$16,836.50 per year for 19,000 employees to be covered by MySafeWorkplace® for this Renewal Term.
 - 2.2.1. The service fee for the Customized Landing Page, per change or per annual renewal, is included.
 - 2.2.2. The annual service fee for MySafeDashboard™ is included.
 - 2.2.3. The annual service fee for MySafeDashboard Pro™ is not applicable.
 - 2.2.4. The annual service fee for MySafeWorkplace Plus™ is included.

- 6.1. Term. This Agreement shall remain in effect for a Renewal Term of twenty-four (24) months, commencing February 2, 2013, and ending on February 2, 2015. Thereafter, the Agreement shall be automatically renewed for successive one (1) year periods ("**Renewal Terms**"), unless either party indicates its intention in writing to the other party not to renew the Agreement sixty (60) days prior to the end of the Renewal Term.

IN WITNESS WHEREOF, the parties have caused this Addendum to the Agreement to be executed as of the Effective Date listed below by Client.

Business Controls, Inc. By: _____ Name: _____ Title: _____ Date: _____	Client: The County of Riverside, California By: _____ Name: _____ Title: _____ Date: _____ <div style="text-align: center;">(Effective Date)</div>
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Date: February 13, 2013
From: Paul Angulo, CPA, MA-Mgmt Department/Agency: Auditor-Controller
To: Board of Supervisors/Purchasing Agent
Via: Purchasing Agent
Subject: Sole Source Procurement; Request for Business Controls, Inc. (secure, third-party anonymous incident reporting services)

The below information is provided in support of my Department requesting approval for a sole source. Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole source.

1. **Supply/Service being requested:** Business Controls, Inc. has proprietary software for a web-based solution to our countywide "whistleblower" hotline program. We believe that a web-based solution coupled with a call-center option is a superior solution to a call-center front end and will provide flexibility to additional functionality as needed in the future. An alternative vendor with a call-center front end was equally professional; however, their business strategy for the future suggests an emphasis on managing customer complaints rather than Fraud, Waste and Abuse. Business Controls, Inc. will provide a secure, third-party anonymous incident reporting service.

2. **Supplier being requested:**

Business Controls, Inc.
7810 Shaffer Parkway
Suite 125
Littleton, Colorado 80127
Phone: 303-526-7600

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

The Network
333 Research Court
Norcross, GA 30092
Phone: 800-357-5137

4. **Extent of market search conducted:**

Website research in Fraud, Waste and Abuse best practices; benchmarked with San Bernardino, Orange, San Diego and Los Angeles counties; and interviewed vendors. The Network has been a major player but they appear to be emphasizing customer complaint call-center in their business strategy for the future.

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

In our opinion, Business Controls has developed the fastest, most efficient and user-friendly anonymous incident reporting tools on the market. Through the combination of their web-based software and phone-based hotlines, their products make it easy to confidentially and anonymously report workplace concerns. Reports are guaranteed to be submitted to the appropriate personnel within three minutes, which is the "fastest response time on the market."

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

Since the implementation of the countywide Fraud, Waste and Abuse prevention program on September 1, 2009, we have received 159 anonymous incident reports through the web-based and call-centers managed by Business Controls, Inc. We have been very pleased with the services provided thus far including; friendly reporting tools. We require these unique features because if we were to switch to a new provider; they would not be able to provide the same services.

7. Price Reasonableness including purchase price and any ongoing maintenance or ancillary costs from the supplier: With the County's number of employees at over 19,000, they are currently offering a 1-year price of \$19,897 or a 2-year prepayment price of \$33,673, or \$16,836.50 per year.

8. Does moving forward on this product or service further obligate the county to future similar contractual arrangements or any ongoing costs affiliated with this sole source? (Maintenance, support, or upgrades, if so, please explain). No, a renewal contract will be negotiated after the period of performance for this agreement which ends February 2015.

9. Period of Performance: This Agreement shall remain in effect for a Renewal Term of twenty-four (24) months, commencing February 2, 2013, and ending on February 2, 2015. Thereafter, the Agreement shall be automatically renewed for successive one (1) year periods, unless either party indicates its intention in writing to the other party not to renew the Agreement sixty (60) days prior to the end of the Renewal Term.

Paul Argueta 2/13/13
 Department Head Signature Date

Purchasing Department Comments:

<u>Approve</u>	Approve with Condition/s	Disapprove
Not to exceed: \$ <u>33,673</u>	One time	^{TOTAL} Annual Amount through <u>2-15-2015</u>
<u><i>M. R.</i></u>	<u>2-14-13</u>	<u>13-227</u>
Purchasing Agent	Date	Approval Number (Reference on Purchasing Documents)