



London Breed, Mayor

Department of Human Services
 Department of Aging and Adult Services
 Office of Early Care and Education

Trent Rhorer, Executive Director

MEMORANDUM

TO: HUMAN SERVICES COMMISSION

THROUGH: TRENT RHORER, EXECUTIVE DIRECTOR

FROM: NOELLE SIMMONS, DEPUTY DIRECTOR
 JOHN TSUTAKAWA, DIRECTOR OF CONTRACTS *Jay*

DATE: MARCH 22, 2019

SUBJECT: CONTRACT MODIFICATION: PUBLIC PARTNERSHIP LLC (**FOR-PROFIT**) TO PROVIDE FISCAL INTERMEDIARY SERVICES FOR THE INDIVIDUAL REFERRAL (IR) PROGRAM

CONTRACT TERM:	<u>Current</u> 7/1/16 – 6/30/19	<u>Modification</u> 7/1/19 – 6/30/21	<u>Revised</u> 7/1/16 – 6/30/21		
CONTRACT AMOUNT:	<u>Current</u> \$2,203,875	<u>Modification</u> \$1,300,000	<u>Revised</u> \$3,503,875	<u>Contingency</u> \$350,388	<u>Total</u> \$3,854,263
ANNUAL AMOUNT:	<u>FY16-17</u> \$734,625	<u>FY17-18</u> \$734,625	<u>FY18-19</u> \$734,625		
	<u>FY19-20</u> \$650,000	<u>FY20-21</u> \$650,000			
Funding Source	<u>County</u>	<u>State</u>	<u>Federal</u>	<u>Contingency</u>	<u>Total</u>
MODIFICATION	\$728,000	\$39,000	\$533,000	\$130,000	\$1,430,000
FUNDING:					
PERCENTAGE:	56%	3%	41%		

The Department of Human Services (DHS) requests authorization to modify the existing contract agreement with Public Partnership LLC (PPL) for the period of July 1, 2016 to June 30, 2021, for an additional amount of \$1,300,000 plus a 10% contingency for a total amount not to exceed \$3,854,263. The purpose of the modification is to extend the contract term for an additional two years for fiscal intermediary and reporting services that will support the Individual Referral (IR) Program and the CalWORKs Information and Referral Program.

Background

Individual Referral (IR) Program

Through the IR program employment and training services, the Department partners with private vocational training schools who enroll and provide employment training, and direct job placement, with job retention services and wrap-around case management services for eligible CalWORKs, PAES, CalFresh/ABAWD, and Refugee Cash Assistance (RCA) participants. With the employment training services, all participants are provided with supportive services and case management to help address barriers to employment. The IR program promotes maximum customer choice by enabling program participants to select training services from qualified IR providers that will be selected through Request for Qualifications #842. Actual referrals to the providers will be based on client's and HSA service need, and employment viability. Therefore, HSA does not guarantee any level of referrals and there is no set contract amount for any provider.

CalWORKs Information and Referral

Analysis shows that eligible families have not applied for CalWORKs benefits due to lack of program information, immigration related concerns, or cultural perceptions of CalWORKs, mistrust of the program and/or of the public sector in general. Through Request for Qualifications #817, HSA is establishing a pool of agencies contracted to increase awareness of the CalWORKs program and to refer potentially eligible families to HSA. Payment is made upon approved CalWORKs applications and HSA does not guarantee any level of funding and there is no set contract amount for any provider.

Services to be Provided

When requested by the Human Services Agency (HSA), PPL will issue payments to IR and CalWORKs Information and Referral providers on behalf of program participants for the specialized vocational trainings and referrals. Upon receiving invoices, designated DHS staff will review and process the approved payment requests through PPL's online portal, which will then generate the payments directly to the providers.

PPL may also conduct other approved fiscal transactions, including transactions needed to support clients engaged in Family and Children's Services, CalWORKs, Workforce Development activities, and other agency programs. PPL will assist the department in specialized reporting functions involving fiscal and compliance monitoring such as specialized accounting, auditing, and technical assistance services on an as-needed basis.

Selection

Contractor was selected through Request for Proposals #697, which was competitively bid in April 2016.

Funding

The funding for these services will be supported by a combination of Federal, State, and General Funds.

ATTACHMENTS

Appendix A-1 – Services to be Provided

Appendix B-2 – Calculation of Charges

Appendix B-3 – Transaction Fee

Appendix A-1
Services to be Provided
Public Partnerships, LLC
July 1, 2016 – June 30, 2021

I. Purpose

The purpose of this service is to provide fiscal intermediary services for participants in the Individual Referral Program and the CalWORKs Information and Referral Program, to provide other fiscal intermediary and reporting services for the Department of Human Services.

II. Definitions

ABAWD	Able-Bodied Adults Without Dependents, i.e., CalFresh recipients age 18 to 49 who are able to work and do not share a household with a minor child.
CalFresh	The California version of the Federal Supplemental Nutrition Assistance Program, formerly known as Food Stamps
CalWORKs	California Work Opportunity and Responsibility to Kids, welfare-to-work program for families receiving Temporary Aid to Needy Families (TANF) cash aid.
Contractor	Public Partnerships, LLC
HSA	San Francisco Human Services Agency
IRs	Individual Referrals for Vocational Training
PAES	Personal Assisted Employment Services, HSA program that assists employable single indigent adults to get employment and become self-sufficient.
RCA	Refugee Cash Assistance Program

III. Target Population

San Francisco residents who receive CalWORKs, PAES, CalFresh/ABAWD or RCA public assistance benefits.

IV. Services to be Provided by Contractor

A. Fiscal Intermediary Services:

1. Contractor will issue payments for training services to participants in the Individual Referral program the CalWORKs Information and Referral

Program. Payments are issued to training providers and authorized by HSA's IR coordinator. An authorization is sent to the Contractor when the client is referred to the training provider with the total amount authorized for payment. The total amount for training individuals ranges from \$2,550 - \$7,000 per client. HSA authorizes the "Enrollment", "Completion" and "Placement" payments.

2. HSA will provide detailed information and instructions for the transactions and special reporting or accounting functions requested.
3. Contractor will issue payments to contracted providers for \$250 per documented referral resulting in an approved CalWORKs application. Payments are made only after the CalWORKs application has been approved and must be authorized by HSA staff.
4. Contractor may also conduct transactions on behalf of the Human Services Agency upon direction from the Deputy Director of Finance and Administration and the Director of Contracts for payments associated with miscellaneous, one-time-only services. HSA will require detailed information for these transactions and documentation.

B. Coordination of Services

Contractor shall work closely with HSA, to coordinate services provided through this contract.

V. Reporting Requirements

A. Reports

Contractor shall submit reports containing information summarizing the activities as outlined in Section IV above and shall include relevant quantitative and qualitative information.

B. Fiscal Reports

Contractor shall provide fiscal reports accounting for the transactions conducted on behalf of the Agency on a monthly basis.

C. Reports will be submitted electronically to HSA as follows:

Andy Beetley-Hagler, Community Services Specialist, E306
E-mail: andy.beetley@sfgov.org

and

Judy Ng, Contract Manager
HSA Office of Contract Management
Email: judy.ng@sfgov.org

Appendix B-2
Calculation of Charges

I. Contractor shall submit invoices on a monthly basis. Invoices shall document the total amount (payment authorization) for training individuals as outlined in Appendix A-1, and any additional work performed under the scope of this contract.

II. The contract term for Fiscal Intermediary Services under this Agreement is for period July 1, 2016 to June 30, 2021. The total contract amount for the term of the contract will be as follows:

Contract Total:	\$3,503,875
10% Contingency:	\$350,388

Total Not-to-Exceed:	\$3,854,263

III. Contractor understands that, of the maximum dollar obligation listed in Section 4 of this Agreement, **Three Hundred Fifty Thousand Three Hundred Eighty Eight Dollars (\$350,388)** is included as a contingency amount and is neither to be used in Program Budgets attached to this Appendix, or available to Contractor without a modification to this Agreement executed in the same manner as this Agreement or a revision to the Program Budgets of Appendix B-3, which has been approved by Contract Manager. Contractor further understands that no payment of any portion of this contingency amount will be made unless and until such modification or budget revision has been fully approved and executed in accordance with applicable City and Human Services Agency laws, regulations and policies/procedures and certification as to the availability of funds by Controller. Contractor agrees to fully comply with these laws, regulations, and policies/procedures.

IV. A final closing invoice, clearly marked "FINAL," shall be submitted no later than forty-five (45) calendar days following the closing date of the Agreement, and shall include only those Services rendered during the referenced period of performance. If Services are not invoiced during this period, all unexpended funding set aside for this Agreement will revert to City. City's final reimbursement to the Contractor at the close of the Agreement period shall not exceed the total amount authorized and certified for this Agreement.

Appendix B-2 Calculation of Charges
Public Partnerships, LLC

Updated: 3/19/2019

Budget Item	Source of Funding	7/1/16-6/30/17	7/1/17-6/30/18	7/1/18-6/30/19	7/1/19-6/30/20	7/1/20-6/30/21	Totals
Individual Referrals	CalWORKS	\$139,860	\$139,860	\$139,860	\$109,860	\$109,860	\$639,300
Individual Referrals	Vocational-GF	\$38,980	\$38,980	\$38,980	\$38,980	\$38,980	\$194,900
Individual Referrals	FSET	\$85,960	\$85,960	\$85,960	\$85,960	\$85,960	\$429,800
Individual Referrals	ABAWD	\$0	\$0	\$0	\$56,663	\$56,663	\$113,326
Individual Referrals	Refugee	\$219,825	\$219,825	\$219,825	\$98,537	\$98,537	\$856,549
Information and Referral	GF	\$0	\$0	\$0	\$50,000	\$50,000	\$100,000
Other Fiscal Intermediary Services	General Funds	\$250,000	\$250,000	\$250,000	\$210,000	\$210,000	\$1,170,000
TOTAL		\$734,625	\$734,625	\$734,625	\$650,000	\$650,000	\$3,503,875

Appendix B-3 Transaction Fee Public Partnership LLC

Updated: 3/19/2019

There are two components to the Calculation of Charges for Public Partnerships LLC:

1) **Invoice Payments:**

(a) Compensation shall be based on invoice payment amounts of \$1.00 multiplied by 725,625 units of service for a total amount of **\$725,625 for period 7/1/2016 to 6/30/2019.**

(b) Compensation shall be based on invoice payment amounts of \$1.00 multiplied by 641,000 units of service for a total amount of **\$650,000 for period 7/1/2019 to 6/30/2021.**

2) **Fees:** Compensation shall not exceed \$45.00 per transaction fee (i.e. per check fee), multiplied by 200 units for a total cost of **\$9,000** for all fiscal intermediary services requested by SF-HSA.

Invoices of \$725,625 + \$9,000 transaction fee = \$734,625 (annual amount for FY16-19)

Invoices of \$641,000 + \$9,000 transaction fee = \$650,000 (annual amount for FY19-21)

FY 16-17	\$734,625
FY 17-18	\$734,625
FY 18-19	\$734,625
FY 19-20	\$650,000
FY 20-21	\$650,000
Total	<u>\$3,503,875</u>
10% Contingency	<u>\$350,388</u>
Contract Total Not-to-Exceed	<u><u>\$3,854,263</u></u>