

Robert P. Astorino  
County Executive

Department of Social Services

Kevin M. McGuire  
Commissioner

**52927**

DATE: September 22, 2016

TO: Board of Acquisition and Contract

FROM: Kevin M. McGuire  
Commissioner, Department of Social Services

SUBJECT: Authority for the County of Westchester to amend an agreement with Public Consulting Group, Inc., pursuant to which it provided the County with Social Security eligibility services for certain persons, by, 1.) increasing its not-to-exceed amount by \$356,00.00, and 2.) extending its term by 24 months.

---

Based on authority from resolutions approved by your Honorable Board on July 7, 2011; June 20, 2012; June 20, 2013; July 3, 2014; June 25, 2015; and February 4, 2016, the County of Westchester (the "County") had an agreement with Public Consulting Group, Inc. ("PCG"), pursuant to which PCG provided the County with Social Security eligibility services for Aid to Families with Dependent Children – Foster Care ("AFDC-FC") cases as well as for Temporary Assistance for Needy Families ("TANF") and Safety Net Assistance ("SNA") cases, for a term commencing on July 1, 2011 and continuing through March 31, 2016, for an amount not-to-exceed \$1,690,000.00, payable pursuant to an approved budget (the "Agreement").

Under the approved budget in the Agreement, PCG was to be paid a specific amount for each of various types of actions taken by, and outcomes achieved by, PCG. Based upon the actions taken by, and outcomes achieved by, PCG, it had already properly invoiced the County for a total amount beyond the Agreement's not-to-exceed amount prior to the expiration of the Agreement. Accordingly, the Department of Social Service ("DSS") has been aware for some time that it would have to seek authority from your Honorable Board to increase the not-to-exceed amount of the Agreement, in order to pay PCG those earned amounts.

However, it has not previously been possible for DSS to know or reasonably estimate the total amount that PCG will have ultimately earned under the Agreement, based upon work completed by PCG prior to the expiration of the Agreement. That is because, among the actions

and outcomes specified in the Agreement's approved budget, were amounts to be paid to PCG "for each medically favorable SSI decision" regarding persons receiving AFDC-FC and "for each medically favorable SSI/SSDI decision" regarding persons receiving TANF or SNA. Currently, it typically takes at least six to eight months to receive an initial decision from the Social Security Administration regarding applications for Supplemental Security Income ("SSI") and Social Security Disability Insurance ("SSDI"), and many months after that for the final resolution of appeals made of denials. Due to that lag, several such medically favorable decisions from the Social Security Administration have been rendered during the months since the expiration of the Agreement. Accordingly, PCG is now entitled to payment for the amounts it earned from work it completed prior to the expiration of the Agreement, based on these subsequent (i.e., after the expiration of the Agreement) medically favorable SSI/SSDI decisions from the Social Security Administration.

Due to the fact there has not yet been an initial decision and/or final resolution of an appeal of a denial from the Social Security Administration (due to the above-mentioned lag) on every application on which PCG worked during the term of the Agreement, it is likely that PCG will have ultimately earned an additional amount beyond that which it has already earned. DSS determined that its best reasonable estimate is that fifty percent (50%) of the remaining applications will ultimately result in medically favorable decisions from the Social Security Administration, and has calculated the resulting amounts to which PCG would be entitled.

Therefore, in order to expedite the close-out of this Agreement by ensuring that adequate funds are available to now pay PCG all amounts it has earned thus far, and later pay PCG for any amounts it later earns based on subsequent decisions from the Social Security Administration, DSS is requesting that your Honorable Board authorize the County to amend the Agreement by increasing to not-to-exceed amount by \$356,000.00, to a new total not-to-exceed amount of \$2,046,000.00 (the "Sixth Amendment").

In order to facilitate such payments, the term of the Agreement must be also extended to cover the period during which the payments will be made. Accordingly, the County also respectfully requests that your Honorable Board authorize the County, as part of the Sixth Amendment, to amend the Agreement by extending its term by 24 months, to a new termination date of March 31, 2018—by which time DSS is confident all initial decisions and the final resolution of all appeals of denials will be provided by the Social Administration—and also clarify that the term is being extended solely to facilitate payments to PCG of amounts earned for previous work, and that no new work shall be undertaken by PCG during the extended term.

Except as described above, all terms and conditions of the Agreement shall remain in full force and effect.

The proposed amendment will serve a public purpose by ensuring that PCG is paid the amounts to which it is entitled, under the terms of the Agreement, for providing services regarding the establishment and maintenance of benefits for AFDC-FC customers as well as for TANF and SNA customers.

The goal and objective of the proposed amendment is to ensure that PCG is paid the

amounts to which it is entitled, under the terms of the Agreement, for providing services regarding the establishment and maintenance of benefits for AFDC-FC customers as well as for TANF and SNA customers.

The goal and objective of the proposed amendment is in the best interests of the County in terms of fiscal responsibility, as it will ensure that PCG is paid the amounts to which it is entitled, under the terms of the Agreement, for assisting customers in securing benefits to which they are entitled, which thereby lead to case closures for DSS and a related savings in terms of County resources expended in assisting such individuals.

The goal and objective of the proposed amendment will be tracked and monitored by the staff of DSS.

The proposed amendment does not constitute procurement, as there will be no work performed by PCG during the proposed extended term of the Agreement; the proposed amendment will simply ensure that PCG is paid the amounts it earned for previous work, under the terms of the Agreement.

I respectfully recommend the adoption of the attached Resolution.

KMM/KK/bdm/nn

APPROVED BOARD OF ACQUISITION & CONTRACTS 11/03/2016 - LISAPRINCE/SECRETARY

**RESOLUTION**

Upon a communication from the Commissioner of the Department of Social Services, be it hereby

**RESOLVED**, that the County of Westchester (the “County”) is hereby authorized to amend an agreement with Public Consulting Group, Inc. (“PCG”), pursuant to which PCG provided the County with Social Security eligibility services for ‘Aid to Families with Dependent Children – Foster Care’ cases as well as for ‘Temporary Assistance for Needy Families’ and ‘Safety Net Assistance’ cases, for a term commencing on July 1, 2011 and continuing through March 31, 2016, for an amount not-to-exceed \$1,690,000.00, payable pursuant to an approved budget, (the “Agreement”) by, 1.) extending its term by 24 months, to a new termination date of March 31, 2018; 2.) specifying that its term is being extended solely to facilitate payments to PCG of amounts earned for previous work, and that no new work shall be undertaken by PCG during the extended term; and 3.) increase its not-to-exceed amount by \$356,000.00, to a new total not-to-exceed amount of \$2,046,000.00; and be it further

**RESOLVED**, that except as specifically amended hereby, all terms and conditions of the Agreement shall remain in full force and effect; and be it further

**RESOLVED**, that the County Executive or his duly authorized designee is empowered to execute all documents and take all actions necessary to effect the purpose of this resolution.

Account to be Charged/Credited

	Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub-Object	Trust Account	Dollars
2016	101	22	8900	5850		\$59,216
2016	101	22	8900	5860		\$74,284
2017	101	22	8900	5850		\$78,954
2017	101	22	8900	5860		\$99,044
2018	101	22	8900	5850		\$19,740
2018	101	22	8900	5860		\$24,762

Budget Funding Year(s): 2016-18  
(must match resolution)

Start Date: July 1, 2011    End Date: March 31, 2018

Funding Source	Tax Dollars:	<b><u>5850</u></b>	<b><u>5860</u></b>
	State Aid:	1%	71%
	Federal Aid:	0%	29%
<u>\$356,000.00</u>	Other:	99%	
(must match resolution)			

APPROVED BOARD OF ACQUISITION & CONTRACT - 11/03/2016 - LISA MRIJAJ, SECRETARY