



Robert P. Astorino
County Executive

Department of Social Services

Kevin M. McGuire
Commissioner

55083

DATE: May 1, 2017

TO: Board of Acquisition and Contract

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

SUBJECT: Authority to exercise the County's first one-year option under its agreement with Westhab, Inc., pursuant to which it was to operate a Tier II Family Shelter at 17 South Second Avenue in Mount Vernon.

By a resolution approved on February 25, 2016, your Honorable Board authorized the County of Westchester (the "County") to enter into an agreement (the "Agreement") with Westhab, Inc. ("Westhab"), pursuant to which Westhab was to operate a Tier II Family Shelter, as defined in 18 NYCRR Part 900, (a "Tier II Shelter") at 17 South Second Avenue in Mount Vernon (the "Facility"), (the "Services") for an amount not-to-exceed \$1,939,344.00, payable pursuant to an approved budget, for the period from February 1, 2016 through January 31, 2017 (the "Initial Term"), with the County having the sole option to extend the term for up to four (4) one (1) year periods thereafter (each an "Option Term") for the respective not-to-exceed amounts specified below and otherwise on the same terms as the Initial Term:

<u>Period</u>	<u>Not-To-Exceed Amount</u>
First Option Term (2/1/17 – 1/31/18)	\$1,978,131.00
Second Option Term (2/1/18 – 1/31/19)	\$2,017,695.00
Third Option Term (2/1/19 – 1/31/20)	\$2,058,048.00
Fourth Option Term (2/1/20 – 1/31/21)	\$2,099,208.00

The Agreement was subsequently executed.

The County continues to require the Services. In order to determine whether the cost of the Services under the Agreement for the first Option Term were reasonable, DSS obtained from New York State the effective per-diem rate for five (5) other Tier II Shelters that are outside of New York City and in counties similar to Westchester. Those Tier II Shelters are located in

Suffolk, Rockland, Orange, and Albany counties, and the effective per-diem rate for Westhab to provide the Services during the first Option Term is in roughly the middle of these Tier II Shelters, with two (2) having a higher effective per-diem rate and three (3) having a lower effective per-diem rate, but the average of those five (5) rates being higher than Westhab's effective rate for the first Option Term under the Agreement.

Notably, under the Agreement, the budget for the Initial Term and each Option Term was prepared for use on a cost-reimbursement basis. Accordingly, irrespective of what was specified in each budget, Westhab would only be entitled to reimbursement of the actual costs it incurred, up to the specified individual line-item amounts and total annual not-to-exceed amounts.

During the Initial Term, Westhab ultimately did not incur the full specified individual line-item amount for certain line items and was, therefore, paid a total that was less than the specified not-to-exceed amount. Since the County was, of course, unaware that this would happen, it encumbered in its budget, via the above-mentioned resolution from February 25, 2016, the full amount of \$1,939,344.00 for the Initial Term. As a result, the County was unable, for a time, to access the part of that amount that ultimately went unspent.

Westhab recently advised the County that, due to several factors, including, for example, changes in its salaries for its employees; its finding that less time than anticipated from certain employees is needed to provide all of the services required under the Agreement; reduced 'fringe' costs; and reduced telecommunications costs, it will not expend the full specified individual line-item amounts for various line items in the Agreement for Services during the first Option Term. At the same time, Westhab also advised the County that it would require additional funds for certain other various individual line-items in the Agreement for Services during the first Option Term. Westhab advised the County, that after it accounted for all proposed re-allocations of budgeted funds from the line-items that could be reduced to those that required increases, all of its costs for Services during the first Option Term would not exceed \$1,878,137.00. That amount represents a savings of \$99,994.00, compared to the not-to-exceed amount of \$1,978,131.00 that was specified in the Agreement.

Naturally, a savings of \$99,994.00 improves the effective per-diem rate for Westhab to provide the Services during the first Option Term and makes the cost even more reasonable, and the exercise of the first option even more economically prudent, in light of the costs of the aforementioned other Tier II Shelters. Additionally, the County's advance knowledge of these reduced total costs allows it to take action now, in order to avoid leaving it unable to access the excess funds, as happened during the Initial Term.

Accordingly, the County respectfully requests authority from your Honorable Board to exercise its first one-year option under the Agreement and amend the Agreement by, 1.) extending the term thereof by one (1) year, to a new termination date of January 31, 2018; 2.) modifying the amount specified in the Agreement, and modifying the Agreement's budget and budget justification, for the first Option Term, to reflect various line-item changes and a reduction in the total not-to-exceed amount from \$1,978,131.00 to \$1,878,137.00; 3.) increasing the not-to-exceed amount of the Agreement by \$1,878,137.00, to a new total not-to-exceed amount of \$3,817,481.00, to pay for the Services during the first Option Term; and 4.) reflecting

the fact that the County will have three (3) one (1) year options remaining under the Agreement (the "First Amendment").

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

The proposed First Amendment will serve a public purpose by providing the County with the services necessary to operate the Facility as a Tier II Shelter for an additional year.

The goal and objective of the proposed First Amendment is to provide the County with the services necessary to operate the Facility as a Tier II Shelter for an additional year.

The goal and objective of the proposed First Amendment is in the best interests of the County in terms of public health and safety, as the County having the services necessary to operate the Facility as a Tier II Shelter for an additional year will ensure that the Facility can provide housing to eligible families, which will ultimately help ensure the health and safety of those families.

The goals and objectives of the proposed First Amendment will be tracked and monitored by the staff of DSS. The Department is able to report that during the Initial Term, Westhab provided homeless shelter services for seventy-one (71) unduplicated families. Seventeen (17) families secured permanent housing during this same period.

I respectfully recommend the adoption of the attached Resolution.

KMM/BG/hdm/mn

RESOLUTION

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

RESOLVED, that the County of Westchester (the "County") is hereby authorized to exercise its first one-year option under its agreement with Westhab, Inc. ("Westhab"), pursuant to which Westhab was to operate a Tier II Family Shelter, as defined in 18 NYCRR Part 900, at 17 South Second Avenue in Mount Vernon, for an amount not-to-exceed \$1,939,344.00, payable pursuant to an approved budget, for the period from February 1, 2016 through January 31, 2017 (the "Initial Term"), with the County having the sole option to extend the term for up to four (4) one (1) year periods thereafter (each an "Option Term") for the respective not-to-exceed amounts specified below and otherwise on the same terms as the Initial Term:

<u>Period</u>	<u>Not-To-Exceed Amount</u>
First Option Term (2/1/17 – 1/31/18)	\$1,978,131.00
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Third Option Term (2/1/19 – 1/31/20)	\$2,058,048.00
Fourth Option Term (2/1/20 – 1/31/21)	\$2,099,208.00

(the "Agreement") and amend the Agreement by, 1.) extending the term thereof by one (1) year, to a new termination date of January 31, 2018; 2.) modifying the amount specified in the Agreement, and modifying the Agreement's budget and budget justification, for the first Option Term, to reflect various line-item changes and a reduction in the total not-to-exceed amount from \$1,978,131.00 to \$1,878,137.00; 3.) increasing the not-to-exceed amount of the Agreement by \$1,878,137.00, to a new total not-to-exceed amount of \$3,817,481.00, to pay for the services during the first Option Term; and 4.) reflecting the fact that the County will have three (3) one (1) year options remaining under the Agreement; 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 hereby authorized to execute any documents and take any actions reasonably necessary and appropriate to effectuate the purposes of this Resolution.

Account to be
Charged/Credited

	Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub-Object	Trust Account	Dollars
2017	101	22	8900	5850	-----	\$1,721,626
2018	101	22	8900	5850	-----	\$156,511

Budget Funding Year(s): 2017-18 Date: 02/01/17 End Date: 01/31/18
(must match resolution)

Funding Source	Tax Dollars: 1%
<u>\$1,878,137.00</u>	State Aid: 0%
(must match resolution)	Federal Aid: 99%
	Other:

APPROVED BOARD OF ACQUISITION & CONTRACT - 05/04/2017 - LISA MARIJA SECRETARY