



George Latimer
County Executive

Department of Social Services

Kevin M. McGuire
Commissioner

70704

DATE: July 11, 2019

TO: Board of Acquisition and Contract

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

SUBJECT: Authority to exercise the County's third one-year option under its agreement with Family Service Society of Yonkers, pursuant to which it was to operate and manage a representative payee program.

By a resolution approved on April 28, 2016, your Honorable Board authorized the County of Westchester (the "County") to enter into an agreement with the Family Service Society of Yonkers ("FSSY"), pursuant to which FSSY was to operate and manage a representative payee program (the "Services") for people with disabilities being served by either the Adult Protective Services unit of the Department of Social Services ("DSS") or by the Department of Community Mental Health and who are in need of such financial management services (such individuals being the "Target Population"; such individual(s) actually being served being a "Client" or "Clients"), for an amount not-to-exceed \$205,234.00, payable pursuant to an approved budget, for the period from July 1, 2016 through June 30, 2017 (the "Initial Term"), with the County having the sole option to extend the term of the agreement for up to six (6) one (1) year periods thereafter (each an "Option Term"), on the same terms and conditions for each such Option Term as for the Initial Term (the "Original Agreement"). The Original Agreement was subsequently executed.

By a resolution approved on July 20, 2017, your Honorable Board authorized the County to exercise its first one-year option under the Original Agreement and therefore amend the Agreement by, 1.) extending the term thereof by one (1) year, to a new termination date of June 30, 2018; 2.) increasing the not-to-exceed amount thereof by \$205,234.00, to a new total not-to-exceed amount of \$410,468.00, to pay for the services during the first Option Term, and payable as specified in the Original Agreement for the first Option Term; and 3.) reflecting the fact that

the County will have five (5) one (1) year options remaining under the Original Agreement, as amended (the “First Amendment”). The First Amendment was subsequently executed.

By a resolution approved on September 13, 2018, your Honorable Board authorized the County to exercise its second one-year option under the Original Agreement, as amended by the First Amendment, and therefore amend the Original Agreement, as amended by the First Amendment, by, 1.) extending the term thereof by one (1) year, to a new termination date of June 30, 2019; 2.) increasing the not-to-exceed amount thereof by \$205,234.00, to a new total not-to-exceed amount of \$615,702.00, to pay for the services during the second Option Term, and payable as specified in the Original Agreement, as amended by the First Amendment, for the second Option Term; and 3.) reflecting the fact that the County will have four (4) remaining one (1) year options under the Original Agreement, as amended (the “Second Amendment”). The Second Amendment was subsequently executed.

The County continues to require the Services. Therefore, DSS reviewed and analyzed the price for the third Option Term under the Original Agreement, as amended by the First Amendment and the Second Amendment, (the “Agreement”) in order to ensure that it is reasonable.

As part of that analysis, DSS inquired with FSSY regarding its current effective pricing. FSSY advised that it would, in response to a new competitive procurement process, offer the same effective pricing that the County would have under the third Option Term.

In addition, DSS investigated the marketplace and sought to obtain a quote from each of several other entities that can provide the Services for people who have mental health issues that are as serious as those in the Target Population. DSS was ultimately able to obtain quotes from two (2) other entities, which were, a.) \$43.00 per Client per month, and b.) a sliding scale, which, given that the current maximum capacity of the Services 200 Clients, would range from \$67.00 to \$75.00 per Client per month. Under the third Option Term, FSSY would be paid an effective rate of approximately \$85.00 per Client per month.

However, the entity that quoted \$43.00 per Client per month has had issues with the Social Security Administration (“SSA”) and has advised that it will be closing its nationwide service. The entity that quoted the sliding scale pricing is just beginning to offer the Services as part of its business. The County would, in fact, be its first client for the Services. In addition, that entity would only have a representative in Westchester County one (1) day per week to meet face-to-face with Clients. That is undesirable, in that face-to-face interaction with Clients is seen as important by both DSS and Clients.

Therefore, though the quotes obtained from the other entities are for lower effective pricing than that which is available under the third Option Term, DSS has determined that the Services being provided by FSSY would ultimately best serve Clients.

Notably, the SSA advises on its website that the law applicable to the Services permits the collection from each Client of a monthly fee for expenses incurred in providing the Services. For 2019, that allowable fee is \$82.00—an increase from \$80.00 in 2018—for those meeting the

certain, applicable SSA criteria, as do a portion of the individuals in the Target Population. Accordingly, the SSA apparently believes that the value of the Services is closer to the effective pricing available under the third Option Term than that which is available under the quotes from the other entities. DSS believes that the high-cost nature of Westchester County, as compared to other areas in the United States, and the high-end disability of a portion of the Target Population, together, sufficiently explain and justify the difference between this \$82.00 billable amount and the approximately \$85.00 effective rate provided for under the third Option Term.

Taking all of the foregoing into consideration, DSS's analysis has determined that the price specified in the Agreement for the third Option Term is reasonable.

Accordingly, the County respectfully requests authority from your Honorable Board to exercise its third one-year option under the Agreement and therefore amend the Agreement by, 1.) extending the term thereof by one (1) year, to a new termination date of June 30, 2020; 2.) increasing the not-to-exceed amount thereof by \$205,234.00, to a new total not-to-exceed amount of \$820,936.00, to pay for the services during the third Option Term, and payable as specified in the Agreement for the third Option Term; and 3.) reflecting the fact that the County will have three (3) remaining one (1) year options under the Agreement, as amended (the "Third Amendment").

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

The proposed Third Amendment will serve a public purpose by enabling the County to provide, for an additional year, financial management assistance to Clients who are unable to manage their own finances, and thereby assist in improving their quality of life.

The goal and objective of the proposed Third Amendment is to enable the County to provide, for an additional year, financial management assistance to Clients who are unable to manage their own finances.

The goal and objective of the proposed Third Amendment is in the best interests of the County in terms of health and welfare, as Clients will, for an additional year, have an improved quality of life as a result of receiving assistance from the County in managing their finances.

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

I respectfully recommend the adoption of the attached resolution.

KMM/KM/bdm/nn

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 third one-year option under its agreement with the Family Service Society of Yonkers (“FSSY”), pursuant to which FSSY was to operate and manage a representative payee program for people with disabilities being served by either the Adult Protective Services unit of the Department of Social Services or by the Department of Community Mental Health and who are in need of such financial management services, for an amount not-to-exceed \$615,702.00, payable pursuant to an approved budget, for the period from July 1, 2016 through June 30, 2019, with the County having the sole option to extend the term of the agreement for up to four (4) additional one (1) year periods thereafter, on the same terms and conditions, (the “Agreement”) and therefore amend the Agreement by, 1.) extending the term thereof by one (1) year, to a new termination date of June 30, 2020; 2.) increasing the not-to-exceed amount thereof by \$205,234.00, to a new total not-to-exceed amount of \$820,936.00, to pay for the services during the third Option Term, and payable as specified in the Agreement for the third Option Term; and 3.) reflecting the fact that the County will have three (3) remaining one (1) year options under the Agreement, as amended; and be it further

RESOLVED, that except as specifically hereby authorized to be amended, 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 |
|------|------|------|--|--------------------|---------------|-----------|
| 2019 | 101 | 22 | 8900 | 5960 | ----- | \$102,617 |
| 2020 | 101 | 22 | 8900 | 5960 | ----- ---- | \$102,617 |
| | | | | | | |

Budget Funding Year(s): 2019 - 2020 Start Date: 07/01/19 End Date: 06/30/20
(must match resolution)

Funding Source Tax Dollars: 48%
State Aid: 28%
\$205,234.00 Federal Aid: 24%
(must match resolution) Other: