

**MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Human Services Division**

TO: Honorable Board of Supervisors

FROM: Richard J. Burton, M.D., M.P.H.
Placer County Health Officer and Director of Health & Human Services
Bob Dunstan, Director, Human Services Division

DATE: March 25, 2008

SUBJECT: Approve the use of an agreement with IBM Credit to finance the purchase of Unisys servers to be used for the CalWIN application

ACTION REQUESTED:

- a. Authorize the Purchasing Manager to sign all necessary documents to use an existing Master Lease Agreement with IBM Credit to lease eight Unisys servers in the amount of \$148,950.20, and
- b. Approve the addition of eight Unisys servers to the Master Fixed Asset List, for a total cost of \$141,164.95, and
- c. Approve a budget revision for Human Services in the amount of \$141,164.95 for the current fiscal year.

BACKGROUND:

The CalWIN computer system is a welfare benefits system currently used by eighteen counties. This system determines client eligibility for Medi-Cal, food stamps, or cash assistance; issues benefits; interfaces with other State computer systems, including child support and Medi-Cal; assures that recipients are not currently obtaining benefits in another California county; and tracks the progress of clients in completing the tasks required to achieve self-sufficiency or to continue to qualify for benefits.

The CalWIN System was implemented in Placer County in January 2005 and requires ongoing maintenance and operations as well as the replacement of equipment at the end of its useful life. In 2001 (to prepare for the new system) Placer County purchased and installed eleven servers for the purpose of running CalWIN. The servers are now out of warranty and the cost for monthly maintenance is increasing. During the last seven years, two of the original servers have been re-purposed but the remaining nine need to be replaced with eight new servers; they have exceeded their technical life expectancy. The State has provided the necessary funding for some of the counties in the consortium (including Placer) to procure new servers.

The purpose of this capital lease is to work with a State reimbursement process which specifies that a County can request reimbursement for only 20% of a computer hardware-related expenditure in any given fiscal year. To align the expenditure and reimbursement for this capital lease into the same fiscal year, HHS will utilize an existing County Master Lease Agreement with IBM Credit. The County will own the servers at the end of five years as fixed assets.

FISCAL IMPACT:

The Master Lease Agreement with IBM Credit is currently in place; the interest rate for this financing is 3.38%, and will be reimbursed by the State; the cost includes hardware, software, installation, implementation, tax, and delivery for these servers.

The total contract cost over a five-year period is \$148,950.20 with a net County cost of \$9,210. This purchase is properly budgeted in the Human Services Division for both the FY 2007/08 and FY 2008/09 budget years. There is no additional impact to the County General Fund.

BUDGET REVISION

POST DATE:

| DEPT NO. | DOC TYPE | Total \$ Amount | TOTAL LINES |
|----------|----------|-----------------|-------------|
| 14 | BR | 342,540.00 | 5 |

Cash Transfer Required

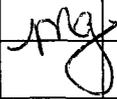
Reserve Cancellation Required

Establish Reserve Required

 Auditor-Controller

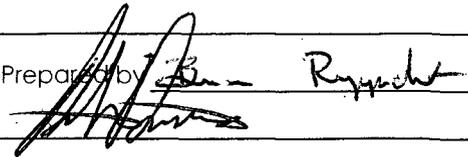
 County Executive

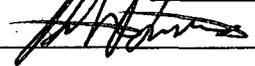
Board of Supervisors

| ESTIMATED REVENUE ADJUSTMENT | | | | | | | | | | APPROPRIATION ADJUSTMENT | | | | | | | | | | | |
|------------------------------|-----|-----|------|----------|--------|-------|-------|-------|-----------|--------------------------|--------------|-----|-----|------|----------|--------|-------|-------|---|-----------|------------|
| DEPT NO. | T/C | Rev | Fund | Sub Fund | OCA | PCA | OBJ 3 | PROJ. | PROJ. DTL | AMOUNT | DEPT NO. | T/C | Rev | Fund | Sub Fund | OCA | PCA | OBJ 3 | PROJ. | PROJ. DTL | AMOUNT |
| 14 | 006 | | | | 530730 | 60700 | 8958 | | | 141,165.00 | 14 | 014 | | | | 530730 | 60700 | 4451 |  | | 141,165.00 |
| | | | | | | | | | | | 14 | 015 | | | | 530730 | 60700 | 2555 | | | 30,105.00 |
| | | | | | | | | | | | 14 | 014 | | | | 530730 | 60700 | 3810 | | | 29,392.00 |
| | | | | | | | | | | | 14 | 014 | | | | 530730 | 60700 | 3830 | | | 713.00 |
| TOTAL | | | | | | | | | | 141,165.00 | TOTAL | | | | | | | | | | 201,375.00 |

REASON FOR REVISION: To appropriate State expenditures for CalWIN Unisys servers. In FY07/08 the expenditures were budgeted in

OL3 2555 - EDS contract.

Prepared by  Ext 7693

Department Head  _____

Board of Supervisors _____

Date: 3/7/08

Page: _____

Budget Revision # _____ FOR INDIVIDUAL DEPT USE

858

ADDITIONS TO THE MASTER FIXED ASSET LIST
Health and Human Services Department
Appropriation 53070

| <u>Qty.</u> | <u>Description</u> | <u>Cost</u> |
|-------------|------------------------------------|---------------------|
| 8 | Unisys Servers | \$ 17,645.62 ea |
| | Total Fixed Asset Additions | \$141,164.95 |

