



MEMORANDUM

Date: March 30, 2017

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to read "CHH", is written over the printed name "C.H. Huckelberry".

Re: **United Way's March 28, 2017 Letter Regarding the Employee Combined Appeal Program (ECAP)**

Following the Board of Supervisors vote to approve the United Way of Tucson and Southern Arizona (UWTSA) contract, I contacted UWTSA's President and CEO, Tony Penn, and asked him to convey to the Board the activities of UWTSA that led to our County investment in UWTSA.

Mr. Penn responded in the attached March 28, 2017 letter. I believe the letter accurately characterizes the County's relationship with the UWTSA.

One item Mr. Penn left out of the letter was the UWTSA larger effort that benefits the community on an individual taxpayer basis, through tax preparation for qualifying families to ensure Federal and State tax returns are completed and those taxpayers eligible for a refund, receive it. In this way, the UWTSA is bringing in millions to the residents and taxpayers of Pima County that would otherwise be left in the Treasury of the Federal or State government. This program has been tremendously successful and adds substantial credibility to the UWTSA to their effort in fighting poverty, a goal we jointly share.

For example, UWTSA's Volunteer Income Tax Assistance program (VITA) helps those on low, fixed incomes and those who work hard at low-paying jobs, to get breathing room, pay bills, pay rent in advance, and start a savings programs for kids, to name a few of the actions VITA customers take after getting their refunds.

For Pima County, United Way of Tucson and Southern Arizona and its partner, Catholic Community Services, filed 6,304 returns electronically for residents during 2016, providing \$8,651,420 in total refunds to residents of Pima County.

Overall, in the 10 counties the VITA Task Force of Arizona serves, 17,237 returns were completed generating \$27.5 million in refunds and an economic impact for local communities of 41.25 million. The 500 volunteers who provide the services around the state contribute \$990,000 of value to their communities by their time alone.

CHH/anc

Attachment

c: Jan Leshar, Chief Deputy County Administrator

**2016/2017
BOARD OF DIRECTORS**

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AGM Container Controls
Robert D. Ramirez, Vice Chair
Vantage West Credit Union
Paul C. Tees, Secretary
BMO Private Bank
Joel Rohilk, Treasurer
Arizona Daily Star
R. Tony Penn, President & CEO (*ex-officio*)
United Way of Tucson and Southern Arizona

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Town of Oro Valley
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UFCW Local 99

President's Council

Jim & Vicki Click
Cole & Jeannie Davis
Bob & Sandy Maxfield
Allan Norville
Larry & Laurie Wetterschneider

**United Way of Tucson
and Southern Arizona**

UnitedWayTucson.org

LIVE UNITED



March 28, 2017

C. H. Huckelberry, County Administrator
Pima County Arizona
130 W. Congress, Floor 10
Tucson, AZ 85701-1317

Re: United Way Contract with Pima County for the Employee Appeal Program

Dear Mr. Huckleberry:

I truly appreciate you taking the time to write to us at United Way of Tucson and Southern Arizona (UWTSA) informing us of the outcome of the Board of Supervisors meeting on March 21, 2017. Personally, I was very pleased to learn that our contract has been approved again for the year. However, I felt it was unfortunate that the vote margin in favor was only 3 to 2. It was most disconcerting to know that those who voted against our contract voiced concerns regarding the "taxpayers subsidizing a United Way activity."

Now in our 95th year serving Tucson and Southern Arizona, our focus is on the root causes of poverty in our community. In 2016, each dollar invested locally in United Way's Collective Impact Fund leveraged \$5 of return in private foundations (local and out of state), state, federal grants funding, in addition to volunteer support. All programs or initiatives receiving UWTSA funding are held accountable to quantifiable results and measurements as well as a list of standards. UWTSA holds itself to these same high standards making us a great investment that produces a significant return for the citizens of Pima County.

As you know, generally, we recover workplace campaign costs by recovering an "administrative" fee on contributions to agencies and reduce the contributions that the designated charitable agencies receive. For example, we would retain \$10 of a \$100 donation to the Community Food Bank to cover the above costs. However, UWTSA's administrative cost as approved by our Board (10.21%) is among the lowest you'll find anywhere. Our rate is even lower than the standards set by United Way nationally and such nonprofit watchdogs as the Association of Fundraising Professionals, Guidestar and Charity Navigator.

Pima County, however, has opted for an alternative approach that they have followed for many years that allows Pima County employee contributions to be distributed 100% to the charitable organizations where designated, while Pima County pays a portion of the campaign costs to us via a fee/contract.

This approach however, is not unique to Pima County. The same plan is also followed by other major employers who partner locally with UWTSA. This plan also encourages employees to contribute to local charities and allay their concerns that not all of their contributions benefit the recipient.

In 2014, UWTSA was asked by Pima County to create a custom giving program for its employees. Pima County identified more than 200 non-profits as options for giving according to employee interest. It is important to note, we only recover a portion of the cost of the Pima County ECAP due to the complexity of your campaign which requires a high level of staff involvement, including:

- 2 Resource Development Officers
- 1 Associate Vice President of Resource Development
- 1 Marketing Director
- 1 IT Director
- The COO and CEO in limited roles to oversee the overall campaign
- 1 Controller
- 2 Pledge Processing and Cash Receipts personnel

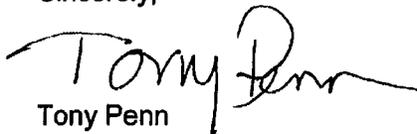
Most recently, in addition to the staff time and benefits, our website consultant is extensively involved in response to Pima County's request to create a more efficient campaign by working to eliminate paper processes and in an attempt to go green. UWTSA has also this year established a custom site for Pima County to respond to numerous questions and inquiries from Pima County employees. We have also provided several hours of technical support for that website.

There are also numerous ancillary costs such as printing (agency guides, posters, incentives, appreciation awards). Another challenge we face are "hidden" expenses, such as the processing of thousands of employee designations that require specialized software to ensure all contributions are sent to the agencies as specified by Pima County employees. We also process and mail the designated contributions quarterly to the partner agencies.

Just as you suggest, we have reached out and scheduled a time to meet with Supervisor Christy to share this information about the value of the investment from Pima County.

Lastly, please know that UWTSA works hard to make a difference in the lives of the citizens of this region we all love. We greatly appreciate our partnership with Pima County and trust that together, we will continue to positively impact the lives of more 100,000 children, families and seniors.

Sincerely,


Tony Penn
President & CEO

cc: UWTSA Board of Directors



COUNTY ADMINISTRATOR'S OFFICE

PIMA COUNTY GOVERNMENTAL CENTER
130 W. CONGRESS, FLOOR 10, TUCSON, AZ 85701-1317
(520) 724-8661 FAX (520) 724-8171

C.H. HUCKELBERRY
County Administrator

March 21, 2017

Tony Penn, President/CEO
United Way of Tucson and Southern Arizona
P.O. Box 86750
Tucson, Arizona 85754-6750

Re: United Way Contract with Pima County for the Employee Combined Appeal Program

Dear Mr. Penn:

The attached contract amendment with United Way was approved by the Board of Supervisors on March 21, 2017 by a 3 to 2 vote. Supervisors Ally Miller and Steve Christy voted against the contract and voiced concerns regarding the "taxpayers subsidizing a United Way activity."

A decision was made years ago for the County to fund the administrative cost incurred by United Way rather than taking it off the top of employee donations, since the employees wanted their entire contribution to go to the charity of their choice. In fact, the administrative cost and expense to United Way has grown in significant complexity due to a large number of qualified nonprofits that participate in the Employee Combined Appeal Program (ECAP).

The County continues to support the United Way and will continue to do so in the future. However, I suggest you contact Supervisors Miller and Christy to explain the complexity of the campaign and the benefits provided by the United Way acting as the County's contractor in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Huckelberry", is written over a large, sweeping flourish that extends from the bottom right of the signature area.

C.H. Huckelberry
County Administrator

CHH/anc

Attachment

c: The Honorable Chair and Members, Pima County Board of Supervisors
Pima County ECAP Steering Committee



**BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS**

Requested Board Meeting Date: March 21, 2017

or Procurement Director Award

Contractor/Vendor Name (DBA): *United Way of Tucson and Southern Arizona, Inc.*

Project Title/Description:

Employee Combined Appeal Program (ECAP) 2017 Campaign.

Purpose:

United Way will provide assistance in operating the 2017 Employee Combined Appeal Program (ECAP) Campaign by providing employee education, staff training, collection, distribution and accounting services for payroll donations from County employees for distribution to charitable organizations.

Procurement Method:

Direct select approved by County Administrator.

Program Goals/Predicted Outcomes:

Contractor will provide organization, publicity, associated informational services and fiscal administrative services for the 2017 Defined Contribution Period.

Public Benefit:

Pima County residents will receive assistance from all charities/agencies that County employees contribute through cash contributions or through payroll deductions. *The Ending Poverty Now initiative helps people get ahead instead of just "getting by" and Pima County has partnered with United Way and other community organizations and businesses to help break the cycle of poverty in our community to increase self-sufficiency for hard-working individuals and families throughout Southern Arizona.*

Metrics Available to Measure Performance:

Contractor will organize the 2017 campaign, assist with the kick-off meeting and the awards luncheon, provide ECAP posters, agency directories, training manuals and other promotional materials as needed for the campaign. Distribute the funds donated through payroll deductions to the charitable organizations as designated by each county employee.

Retroactive:

Yes, 2017 campaign totals were not available until February, 2017 and staff/attorneys completed the amendment for signatures and Board of Supervisor meeting agenda.

To: COB - 3-8-17 (1)
Pgs. 3

Procure Dept 03/08/17 11:32

Original Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____
Effective Date: _____ Termination Date: _____ Prior Contract Number (Synergen/CMS): _____
 Expense Amount: \$ _____ Revenue Amount: \$ _____
Funding Source(s): _____

Cost to Pima County General Fund: _____

Contract is fully or partially funded with Federal Funds? Yes No Not Applicable to Grant Awards
Were insurance or indemnity clauses modified? Yes No Not Applicable to Grant Awards
Vendor is using a Social Security Number? Yes No Not Applicable to Grant Awards

If Yes, attach the required form per Administrative Procedure 22-73.

Amendment Information

Document Type: CT Department Code: CED Contract Number (i.e., 15-123): 14*435
Amendment No.: Three - 3 AMS Version No.: fourteen - 14
Effective Date: January 1, 2017 New Termination Date: December 31, 2017
 Expense Revenue Increase Decrease Amount This Amendment: \$53,465.85
Funding Source(s): Community and Economic Development Administration (CED) Budget - General Fund

Cost to Pima County General Fund: \$53,465.85

Contact: Celina for Jan Leshner, Deputy County Administrator for Community and Health Services

Department: Community and Economic Development Administration (CED) Telephone: 724-8228

Department Director Signature/Date: _____

Deputy County Administrator Signature/Date: [Signature] 3-7-2017

County Administrator Signature/Date: [Signature] 3/7/17
(Required for Board Agenda/Addendum Items)

PIMA COUNTY DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT ADMINISTRATION

PROJECT: Employee Combined Appeal Program
(ECAP 2017 Campaign)

CONTRACTOR: UNITED WAY OF TUCSON AND
SOUTHERN ARIZONA
330 N. Commerce Park Loop, Suite 200
Tucson, AZ 85754

CONTRACT AMOUNT: \$233,910.23

CONTRACT NO.: CT-CED-14*435

CONTRACT AMENDMENT NO.: Three (03)

CONTRACT

NO. CT-CED-14-435

AMENDMENT NO. 03

This number must appear on all
invoices, correspondence and
documents pertaining to this
contract.

Original Contract Term:	1/1/2014 – 12/31/2014	Original Contract Amount:	\$ 67,591.73
Termination Prior Amendment:	12/31/2016	Amount Prior Amendments:	\$112,852.65
Termination This Amendment:	12/31/2017	Amount this Amendment:	\$53,485.85
		Revised Contract Amount:	\$233,910.23

Contract Amendment No. Three

RECITALS

- A. COUNTY and CONTRACTOR entered into the above-referenced contract for services.
- B. Pursuant to Article I – TERM AND EXTENSION/RENEWAL/CHANGES the contract may be extended for additional one year periods, up to a total term of five (5) years.
- C. COUNTY has reviewed CONTRACTOR's performance and finds it satisfactory.
- D. COUNTY and CONTRACTOR have agreed to increase the contract amount to allow payment for the continued provision of assistance with the 2017 Employee Combined Appeal Program (ECAP) during the extended term of the Contract.

NOW, THEREFORE, the Parties agree as follows:

1.0 PROGRAM GLOSSARY is amended to add:

2017 ECAP Campaign FY 2017 – 2018 = July 1, 2017 through June 30, 2018

2017 Defined Contribution Period January 1, 2017 through December 31, 2017

2.0 ARTICLE I – TERM AND EXTENSION/RENEWAL/CHANGES, paragraph A is amended as follows:

2.1. The termination date is changed:

FROM: December 31, 2016

TO: December 31, 2017

2.2. The second sentence is deleted in its entirety and replaced with the following:

The parties have the option to extend this Contract for one (1) additional 12 month period or any portion thereof.

3.0 **ARTICLE II – SCOPE OF SERVICES** is amended as follows:

3.1. Change “2016 Defined Contribution Period” to “2017 Defined Contribution Period” throughout.

3.2. Change “2016 ECAP Campaign” to “2017 ECAP Campaign” throughout.

3.3. Change the date in the first sentence of Paragraph B (2) as follows:

FROM: January 30, 2017

TO: January 30, 2018

3.4. Add the following column to the table in Paragraph B (6):

Calendar Year 2017: DUE TO COUNTY NO LATER THAN
August 29, 2017
August 29, 2017
August 29, 2017
March 2, 2017
March 2, 2017

3.5. Change the year in Paragraph C(6):

FROM: 2016

To: 2017

3.6. Change the date in the first sentence of Paragraph C (8):

FROM: January 15, 2017

TO: January 15, 2018

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4.0 ARTICLE III – COMPENSATION AND PAYMENT is amended to:

4.1. Change "2016" to read "2017" throughout.

4.2. Add to Paragraph B the following:

The estimated not-to-exceed amount for 2017 is \$53,465.85.

All other provisions of the Contract, not specifically changed by this Amendment, will remain in effect and be binding upon the parties.

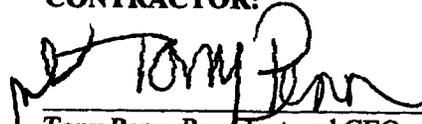
IN WITNESS THEREOF, the parties have affixed their signatures to this Amendment on the dates written below.

APPROVED:

Chair, Board of Supervisors

Date: _____

CONTRACTOR:



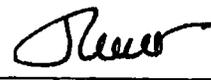
Tony Penn, President and CEO

Date: 2/24/17

ATTEST:

Clerk of the Board of Supervisors

APPROVED AS TO CONTENT:

 2-15-17

Jan Leshner, Deputy County Administrator

APPROVED AS TO FORM:



Karen S. Friar, Deputy County Attorney