

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

911



FROM: DEPARTMENT OF PUBLIC SOCIAL SERVICES

SUBMITTAL DATE:
December 14, 2010

SUBJECT: Approval of Awarding Wraparound Contracts to Oak Grove Center and Olive Crest Treatment Centers, Inc.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and authorize the Chairman of the Board to award a Wraparound contract to Oak Grove Center in the amount of \$618,930 and Olive Crest Treatment Centers, Inc., other than the lowest bid, in the amount of \$1,310,836 for the period of January 2, 2011 through June 30, 2011; and
2. Authorize the Purchasing Agent to sign Professional Service Agreements with Oak Grove Center and Olive Crest Treatment Centers, Inc.; and
3. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to exercise the renewal option, based on the availability of fiscal funding, and to sign amendments that do not change the substantive terms of the agreement, including amendments to the compensation provision that do not exceed the maximum reimbursement amounts of the contracts (\$618,930 and \$1,310,836 respectively) and annual CPI rates; and
4. Authorize the Director of the Department of Public Social Services (DPSS) to administer the contracts with Oak Grove Center and Olive Crest Treatment Centers, Inc.

Susan Loew

Susan Loew, Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 1,929,766	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 1,157,860	Budget Adjustment:	No
	Annual Net County Cost:	\$ 1,157,860	For Fiscal Year:	10-11

SOURCE OF FUNDS: State Funding: 40%; County Funding: 60%		Positions To Be Deleted Per A-30	<input type="checkbox"/>
		Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

Debra Cournoyer
Debra Cournoyer

County Executive Office Signature

Dep't Recomm.: Consent Policy
Per Exec. Ofc.: Consent Policy

Prev. Agn. Ref.:

District: All

Agenda Number:

3.44

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

Billy B. Cornett
County Purchasing Department

Departmental Concurrence

County Counsel

TO: BOARD OF SUPERVISORS

DATE: December 14, 2010

SUBJECT: Approval of Awarding Wraparound Contracts to Oak Grove Center and Olive Crest Treatment Centers, Inc.

BACKGROUND (Continued):

DPSS recommends awarding contracts to Oak Grove Center and Olive Crest Treatment Centers, Inc. DPSS is requesting that once the contracts are completed that the Purchasing Agent is authorized to sign the Professional Service Agreements for fiscal year 2010 - 2011.

As a result of Senate Bill 163 (Statutes of Welfare and Institutions Code 18250), the State authorized counties to implement a Wraparound program to provide foster youth with alternatives to group home care by using the equivalent funding to provide intensive services to the youth and family and ultimately improve outcomes for these children.

DPSS implemented the Wraparound program on July 31, 2007, with the Board's approval of a contract (CS3497-00) with Olive Crest Treatment Centers, Inc. (Olive Crest). Since this time, over one-hundred (100) youth have received Wraparound services with more than fifty (50) successfully reunifying with their families – a number that continues to grow as families “graduate” from the program. The wraparound program operated by Olive Crest has proven positive outcomes for children through the delivery of a cost effective and comprehensive program.

Oak Grove and Olive Crest were selected as the most responsive/responsible vendors and DPSS recommends that contracts be executed with both vendors. DPSS recommends contracting with two agencies to ensure greater capacity for services within the county, encourage competition to keep costs in line and allow for future growth. Most recent data shows a continuing decline in group home placements, with a record low of 201 in the month of September. However, the wraparound program is expected to receive new enrollments as a diversion from a group home placement. As a result, we are anticipating filling all 75 slots over time.

The recommended contract with Olive Crest would include up to 50 families, which would allow for continuity of services with the existing families and allow for new families to enroll as openings occur. The continuity of services is particularly important since these families are very fragile and a transition of services could disrupt their progress towards reunification. The recommended contract with Oak Grove would include up to 25 families to support a ramp up period to allow Oak Grove to become familiar with delivering wraparound services. This is a similar scope of service established when we first implemented wraparound services with Olive Crest in 2007.

PRICE REASONABLENESS:

On March 8, 2010, County Purchasing released a Request for Proposal (RFP) # DPARC-146 to solicit vendors interested in offering Wraparound services. The RFP was released to forty (40) prospective bidders and was advertised on the County Purchasing website.

In response, on April 12, 2010, DPSS received eight (8) proposals and seven (7) were found responsive by the evaluators. The seven (7) proposals were reviewed by an evaluation team consisting of personnel from DPSS, and scored on the following criteria: overall responsiveness to the requirements of the scope of service, experience/ability, credentials, references and the overall cost. The table below is the seven (7) vendors in order of total cost per the first round of best and final.

TO: BOARD OF SUPERVISORS

DATE: December 14, 2010

SUBJECT: Approval of Awarding Wraparound Contracts to Oak Grove Center and Olive Crest Treatment Centers, Inc.

PRICE REASONABLENESS (Continued):

Contractor	Unit of Service Cost (per child per month)	Annual Cost	Annual Service Levels	Overall Score
Oak Grove	\$1591	\$954,922	50 referrals	85.5
New Haven	\$1751	\$1,050,889	50 referrals	79.06
Anka	\$1885	\$1,131,248	50 referrals	66.06
Walden	\$1982	\$1,189,531	50 referrals	73.9
Olive Crest	\$2185	\$1,310,386	50 referrals	79.3
EMQ	\$2699	\$1,619,721	50 referrals	78.4
Aspiranet	\$2715	\$1,629,074	50 referrals	73.9

The top four (4) highest evaluator scores were bidders Oak Grove (85.5) Olive Crest (79.3), New Haven (79.06) and EMQ (78.4). These four (4) were selected to respond to best and final questions on programming and cost. Olive Crest was selected to receive an award based on the total overall score and to continue services with the current 50 children, which allows the existing families not to have any interruption in services.

To allow a second contractor the time to ramp up their delivery of services, DPSS reduced the number to be served to 25 children. The top three remaining bidders were asked to propose a best and final based on 25 children. Below are the results of the final round of top three (3) vendors and their proposed monthly per child cost and new total overall score:

Contractor	Unit of Service Cost (per child per month)	Annual Cost	Annual Service Levels	Overall Score
Oak Grove	\$2,063	\$618,930	25 referrals	85.5
New Haven	\$2,670	\$801,042	25 referrals	70.8
EMQ	\$3,158	\$947,512	25 referrals	78.4

Oak Grove was determined to be the most responsive bidder and is recommended to receive the second contract award.

Bidder's proposed costs ranged between \$2,063 to \$3,158. A survey of southern California counties with wraparound programs indicates a cost range between \$1,813 to \$4,184 per child per month. Oak Grove and Olive Crest's cost falls within the market price that other agencies are charging other California counties to provide wraparound service.

The evaluation committee recommends that the award be given to Olive Crest for an annual amount of \$1,310,836 and Oak Grove for an annual amount of \$618,930 as the most responsive/responsible vendors.

FINANCIAL: 40% State Funds and 60% County General Funds. Sufficient funds have been budgeted in the FY 2010-11 budget.

ATTACHMENT(S): None

CONCUR/EXECUTE – County Purchasing

Date: November 4, 2010
From: Susan Loew, Director of the Department of Public Social Services
To: Board of Supervisors
Via: Purchasing Agent
Subject: Request for a Sole / Single Source Procurement

The below information is provided in support of the Department of Public Social Services requesting approval for a sole source. Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for a sole source.

Supply/Service being requested:

DPSS is seeking an agency to provide Wraparound service, with experience in keeping dependent children/youth with their birth families, relative caretakers, or non-related extended family members. The agency must provide the following:

1. 24/7 intensive case management and mental health services
2. Program outcome measurement plan(s)
3. Transportation
4. Capacity to serve an average caseload of up to fifty (50) cases
5. Coordinate all services needed with community service providers
6. Development of Plans of Care and Support Services
7. Exit and Transitional Services

Suppliers being requested:

Olive Crest, founded in 1973, is a leader in the prevention and treatment of child abuse, with approximately 600 employees serving nearly 5,000 children and families each year throughout California, Nevada, and the Pacific Northwest.

Alternative suppliers that can or might be able to provide supply/service:

Based on proposals submitted to the County, in response to RFP # DPARC-146, the following six (6) agencies might be able to provide Wraparound services to Riverside County:

1. Anka Behavioral Health
2. Aspiranet
3. New Haven Youth and Family Services
4. Oak Grove
5. Walden Family Services
6. EMQ

Upon a thorough review of eight (8) submitted proposals, one that was determined non-responsive, it was determined by the evaluation committee, comprised of DPSS personnel and other Children's Services Division employees familiar with the County's Wraparound program, that the aforementioned six (6) agencies lacks the experience and familiarity with the current cases. The recommended contract with Olive Crest would allow for continuity of services with the existing families.

Extent of market search conducted:

As stated above, a competitive bid process took place with the release of RFP # DPARC-146 on March 10, 2010, in accordance with Riverside County's procurement practices. In response, on April 12, 2010, DPSS received eight (8) proposals and seven (7) were found responsive by the evaluators.

The following criteria were used to independently evaluate each proposal.

1. Overall responsiveness and general understanding of the RFP requirements
2. Description of Services
3. Contractor's experience
4. Overall cost to the County
5. Financial status
6. References

Upon review and evaluation of the eight (8) proposals initially submitted, Best and Final Offers (BAFO) were requested from the top four (4) bidders:

1. New Haven
2. Oak Grove
3. Olive Crest
4. EMQ Families First

As a result of a further review of the bids received, including cost and technical capability, Olive Crest overall score was second and Oakgrove was number one. Olive Crest has the experience and existing relationship with the families.

The BAFO demonstrated each requested agencies capacity to implement a Wraparound program in Riverside County quickly, without interrupting services to children and families. In addition, the BAFO highlighted the agencies staffing levels, and capability to serve all of Riverside County.

Unique features of the supplier/service being requested from this supplier, which no alternative supplier can provide:

The goal of Wraparound is to re-build and maintain the family structure through a strong support team and established collaborative service network. A transition in the current Wraparound team and sole reliance on a vendor without proven experience in providing Wraparound services to a very high-risk and high-needs child welfare population can lead to a significant increase in failure rate for youth and families enrolled in the Wraparound program.

Using a service provider who is yet to establish an untested system of care could impact the following outcomes:

- o Increased future costs if/when youth do not receive immediate and intense level of services leading to premature exit from Wraparound and requiring placement into restrictive group home facilities and/or hospitalization (for mental health issues) Increased youth in institutional care outside of Riverside County or State of California when a higher level of care is needed that cannot be facilitated by Wraparound or local group home.

- Increased incidence of youth running away and for longer periods of time from their new home environment if appropriate support services are not available; the Wraparound Children runaway rate is .005 % vs. 3% for the period of 07/08 thru 08 of group home children.
- Increased demand for already scarce resources, such as after-hours and emergency response from social workers and foster placement providers for youth who are unsuccessful in staying with Wraparound, the current provider receives on average 22 serious incident request per month.
- Increased use of all-county funds for "placement rate patch", which is additional payment beyond the foster care rate to allow unsuccessful Wraparound youth to be accepted into group home facilities with enhanced or 1-on-1 supervision. Before Wraparound the rate patch cost was \$2,462,815 for FY 05/06 to FY 06/07, after the Wraparound program was put in place for FY 07/08, 08/09 and 09/10 it has been reduced to \$1,143,000, which is a difference of \$ 1,319, 815.
- Increased failure in re-unification of youth with their families and increased youth re-entering foster care if Wraparound services cannot stabilize their living situation with relatives or parents.
- Increased entry of young children into group home care if Wraparound services are inadequate to support them in their own homes.

With the incumbent, there is no interruption or delay of service that may be needed for administrative transitioning and coordination with a new service provider. This provides the Wraparound Program with the following advantages that can maximize families' successful and permanent exit from the child welfare system:

- Olive Crest has had 170 clients participating in the Wraparound program between the period of January 2007 through November 2010. Out off that number, there are currently 89 open cases. With 81 closed cases 45 of them have been reunited with their family or caregiver. This shows that 55% of the children have successfully reunified in Wraparound programs. .
- For FY 08/09 there was a 27% savings and in FY09/10 so far there has been a 25% savings using Olive Crest as a Wraparound services verses putting a child in a group home. These savings are allowed to be put in a Children's Trust Fund, which allows the County to increase programs to help children, which are not funded.
- Continuous, efficient, and reliable delivery of needed services (both on an emergency and non emergency basis) afforded by existing linkages to and working relationships with local service providers who can respond immediately to Wraparound families, on a 24-7 basis.
- Knowledge and experience for early detection and de-escalation of high-risk behaviors to prevent youth from being hospitalized, from running-away, or severely acting out that would require group home and/or out-of-state placement.

- Capitalize on existing network of providers and increase capacity to serve more high-risk youth in their own homes who otherwise would be housed in distant group home facilities until age of emancipation.
- Continue to successfully reunify families in 12-months, with significantly less financial costs as well as minimizing trauma of long-term family separation.
- Wraparound increases the number of children (50) that can be cared for by relatives within their own communities, thereby minimizing sibling separation, disruption in school attendance, and break from community ties, which would be put in group homes without Wraparound services.
- Currently, Olive Crest handles approximately 50 families in Riverside County's Wraparound program; they have demonstrated very satisfactory service in their current contract; Demonstrated their willingness to partner with DPSS and continue to build and strengthen the Wraparound program collaboratively;
- With the incumbent, current Wraparound youth and families will not have to experience transition, hence, a break in the therapeutic relationships built with existing Olive Crest teams, youth, parents, extended family and community;

The goal of Wraparound is to re-build and maintain the family structure through a support team. A transition in the current support team, can lead to failure in the Wraparound program implementation and its positive effects;

- Changing the current vendor may lead to increased future costs if/when youth are re-placed into group homes or foster care.
- Disruption with changing the current vendor may lead to increased youth in institutional care.
- Moreover, disruption with changing the current vendor may lead to failed reunification of youth with their families.
- With the incumbent, there is no interruption or delay of service that may be needed for administrative transitioning and coordination with a new service provider.

Reasons why the Department of Public Social Services requires these unique features and what benefit will accrue to the county:

1. In accordance with California Senate Bill 163 SEC. 1.5. Section 18250 of the Welfare and Institutions Code, Riverside County has been authorized to provide children with service alternatives to group home care through the development of expanded family-based services programs, such as Wraparound.

Wraparound services play an integral role in supporting efforts to transition children/youth in institutional/group home care to family based settings. In a summary of Wraparound Key Information, compiled by Eric Bruns and Janet Walker of the National Wraparound initiative, it is stated that Wraparound services produce:

- a. Significantly fewer placement changes;
 - b. More placement changes to less restrictive settings than with other services; and
 - c. Youth who are less likely to engage in at-risk and delinquent behavior are three (3) times less likely to commit a felony.
2. The following table documents the current rate classification level (RCL), for group homes (GH). These rates are paid by the County, on behalf of a child/youth under its care, on a monthly basis. The rates are established by the State.

Rate Classification Level	Monthly Reimbursement Rate
1	\$2,118
2	\$2,646
3	\$3,174
4	\$3,700
5	\$4,224
6	\$4,754
7	\$5,281
8	\$5,809
9	\$6,335
10	\$6,863
11	\$7,388
12	\$7,917
13	\$8,450
14	\$8,974

Group homes are placed into one (1) of fourteen (14) Rate Classification Levels using a point system based on the number, qualifications, experience and training of direct care staff, etc.

On average, Riverside County places children/youth in the care of group homes that are classified between the levels of 10 through 12. The County limits placements in group homes; thus, reducing the cost to the County, as there are currently approximately two-hundred (200) children in group home placements. *(Cost savings addressed in the "price reasonableness" section).*

3. DPSS' Children's Services Division implemented its 2009-2012 System Improvement Plan (SIP) in March 2009, which focused on successfully reunifying children and reducing re-entry to the child welfare system. In March 2010, the SIP was updated and broadened to include the expansion of efforts to assure children are placed in the least restrictive environment necessary to meet their individual needs. Wraparound services enable Riverside County to increase its efforts to transition children/youth from institutional and group home settings to smaller more family-like environments.

Price Reasonableness

In response, on April 12, 2010, DPSS received eight (8) proposals and seven (7) were found responsive by the evaluators. The seven (7) proposals were reviewed by an evaluation team consisting of personnel from DPSS, and scored on the following criteria: overall responsiveness to the requirements of the scope of service, experience/ability,

credentials, references and the overall cost. The table below is the seven (7) vendors in order of total cost per the first round of best and final.

Contractor	Unit of Service Cost (per child per month)	Annual Cost	Annual Service Levels	Overall Score
Oak Grove	\$1591	\$954,922	50 referrals	85.5
New Haven	\$1751	\$1,050,889	50 referrals	79.06
Anka	\$1885	\$1,131,248	50 referrals	66.06
Walden	\$1982	\$1,189,531	50 referrals	73.9
Olive Crest	\$2195	\$1,310,386	50 referrals	79.3
EMQ	\$2699	\$1,619,721	50 referrals	78.4
Aspiranet	\$2715	\$1,629,074	50 referrals	73.9

The top four (4) highest evaluation scores were bidders Oak Grove (85.5) Olive Crest (79.3), New Haven Youth (79.06) and EMQ (78.4) and were selected to receive a best and final for questions and cost. Olive Crest was selected to receive an award based on their total overall score, which was the second highest overall score, to continue services with the current 50 children. Maintaining Olive Crest's services would allow the current children not to have any interruption in the service.

DPSS reduced the requirement of clients. With the three remaining top bidders they were asked to propose a best and final on 25 children. Below is a list of the final round of the top three (3) vendors and their proposed monthly, per child cost and new total overall score:

Contractor	Unit of Service Cost (per child per month)	Annual Cost	Annual Service Levels	Overall Score
Oak Grove	\$2,063	\$618,930	25 referrals	85.5
New Haven	\$2,670	\$801,042	25 referrals	70.8
EMQ	\$3,158	\$947,512	25 referrals	78.4

Bidder's proposed costs ranged between \$2,063 and \$3,158.

Olive Crest has proposed to contract with the County for \$1,310,836. This equals a unit of service rate (or monthly cost per child) of \$2,185 for Olive Crest.

The unit of service rate of this proposed Wraparound service provider is lower than the cost of placing children/youth in the care of group homes (*based on RCL 10 monthly reimbursement rates referenced in the RCL table on the previous page*). Placing an RCL 10 child in a group home costs approximately \$6,863. Whereas, placing an RCL 10 child in Wraparound via Olive Crest costs \$2,185. The savings, per child/youth placement, per month, is \$4,668 compared to placing a youth in a group home. The savings for higher level RCL youth would increase up to \$6,779, per month, per youth. The savings that occur through the fiscal strategies of the Wraparound program are

used for otherwise unfunded child welfare needs (e.g., short-term housing assistance, transportation costs, special services, emergency clothing, food, etc.).

Based on the tables below, Riverside County is not only aligned with industry standard rates overall, they are below the rates charged to most neighboring counties.

Price Comparison

Surrounding Counties (# of Wraparound Agencies, per County)	Average Monthly cost per child	Olive Crest, Inc. Monthly cost per child
San Bernardino County (5 agencies)	\$3,232.17	\$2,185
Orange County (7 agencies)	\$1,813.44	
San Diego County (1 agency)	\$2,059.97	
Fresno County (1 agency)	\$5,621.19	
Tulare County (1 agency)	\$3,562.05	
Los Angeles County (31 agencies)	\$4,184.00	

Olive Crest, Inc.'s unit of service rate proposed to Riverside County is 32% less than the average rate for San Bernardino County; 61% less than Fresno County; 39% less than Tulare County; and 48% less than Los Angeles County.

Although there are two (2) counties (San Diego and Orange) whose unit of service rate is lower than Riverside County's, those counties are spending more overall due to the maximum reimbursable amounts of the contracts: \$13,099,997 and \$5,561,914, respectively. Riverside County, overall, is spending 90% less for services than Orange County, and 76% less than San Diego County.

Does moving forward on this product or service further obligate the county to future similar contractual arrangements?

No, moving forward does not obligate the county to future similar contractual agreements; however, it is requested that the contracts with Olive Crest, Inc. be written for a single base year, with two (2) one-year renewal options.

Susan Jole
Department Head Signature

11-23-10
Date

Purchasing Department Comments:

Approve Approve with Condition/s Disapprove

Billy Cornett
Purchasing Agent

11-29-10
Date