

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

121



**FROM:** Human Resources Department

**SUBMITTAL DATE:**  
April 3, 2013

**SUBJECT:** Request for Sole Source Purchase of Vital Smarts Training and Materials

**RECOMMENDED MOTION:** 1) Approve Vital Smarts as a sole source vendor for the purchase of training and materials not to exceed \$80,000 per fiscal year; renewable in one year increments for up to three (3) years. 2) Approve and direct the Auditor-Controller to make the budget adjustments as shown on Schedule A.

**BACKGROUND:** In 2003, the County of Riverside, Human Resources Department partnered with Vital Smarts to provide county employees with a proven skillset that gets results through candid and caring communication. Subsequently, the County of Riverside's Center for Government Excellence (CGE), took a highly proactive approach in helping achieve significant results by using Vital Smarts' products as a proven method for driving rapid, sustainable, and measurable change. Products include Change Anything, Crucial Conversations, and future developed courses deemed important to achieve organization goals.

*Barbara A. Olivier*  
\_\_\_\_\_  
Barbara A. Olivier  
Asst. County Executive Officer/Human Resources Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 55,000	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	Yes
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2012/13

<b>SOURCE OF FUNDS:</b> Reimbursed from individual department budgets; no net county cost.	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input checked="" type="checkbox"/>

**C.E.O. RECOMMENDATION:**

**APPROVE**

BY: *Ivan M. Chand*  
\_\_\_\_\_  
Ivan M. Chand

4/10/2013

**County Executive Office Signature**

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Ashley, seconded by Supervisor Tavaglione and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley  
Nays: None  
Absent: None  
Date: April 23, 2013  
xc: HR, Purchasing, Auditor, EO

Kecia Harper-Ihem  
Clerk of the Board  
By: *Kecia Harper-Ihem*  
Deputy

**Prev. Agn. Ref.:**

**District:** ALL

**Agenda Number:**

**3-37**

FISCAL PROCEDURES APPROVED  
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER  
 BY: *Paul Angulo* 4/23/13  
 Lisette Rose  
 Departmental Concurrence  
 Purchasing: *Mark Seiler*  
 Mark Seiler, Assistant Director  
 Policy  Policy   
 Consent  Consent   
 Dep't Recomm.:  
 Per Exec. Ofc.:

**BACKGROUND continued:**

As part of this effort, CGE has researched many organizational development companies and continues to find Vital Smarts' products and training as the most effective and highly rated programs of their type.

Vital Smarts' products have been adopted in a variety of ways throughout the County of Riverside, as part of the Leadership Initiative, Management Excellence Academy, and the Supervisory Excellence Academy. In addition, many departments are finding these courses to be a cost efficient and effective staff development tool. Courses are offered at a substantially reduced rate partially due to Human Resources investing in the training certification of employees who teach Vital Smarts' courses.

Courses provide participants with the skills to conduct effective conversations and to solve behavior challenges to improve both morale and organizational performance. By teaching county employees the effective vital behaviors of speaking up quickly and candidly, creating a culture of accountability, and changing entrenched poor behaviors, the County of Riverside can continue to experience dramatic improvements.

The success of Vital Smarts' courses is evident as departments continue to report excellent results in preventing and resolving problems, causing an increase in productivity, communication, commitment, and employee engagement. Based on these results, CGE, the county-wide learning center, continues to experience an increased demand for Crucial Conversations and Change Anything training services. In addition, in the coming years, Vital Smarts' training and materials will be used as the pathway to success for the County of Riverside's Exclusive Care and Wellness Program.

While \$25,000 was budgeted in the current fiscal year, a budget adjustment of an additional \$55,000 is needed to cover training and material costs. For future fiscal years, CGE expects to continue the need for \$80,000 annually in expenditures with Vital Smarts; purchasing expenses incurred by CGE for training materials are cost recovered from individual departments and reimbursed to the Human Resources budget.

**Price Reasonableness:**

The County of Riverside will receive the maximum discount offered to Government agencies. Moreover, Vital Smarts recognizes their eight (8) year partnership with CGE by extending promotional discounts on training and materials. As a result, CGE can continue to extend learning opportunities to County of Riverside employees at approximately 60% below market value.

The Center for Government Excellence has successfully negotiated price reductions with Vital Smarts for training and materials resulting in a savings of approximately \$55,300 over the last five years and continues to do so. Furthermore, by providing Vital Smarts training and materials in-house, the County of Riverside saves approximately \$800 per person in training costs alone.

## Schedule A

### Increase Appropriations:

10000-1130100000-527860 - Training - Materials	\$ 55,000
10000-1130100000-573500 - Intra-Training	(40,000)

### Increase Estimated Revenue:

10000-1130100000-777040 - Training	\$ 10,000
10000-1130100000-778340 - Interfund - Training	5,000

**Date:** April 3, 2013

**From:** Barbara A. Olivier      **Department/Agency:** Human Resources

**To:** Board of Supervisors

**Via:** Purchasing Agent

**Subject: Sole Source Procurement; Request for Vital Smarts**

**The below information is provided in support of my Department 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 sole source.**

**Supply/Service being requested:**

Training and materials

**Supplier being requested:**

Vital Smarts  
282 River Bend Lane, Suite 100  
Provo, UT 84604 USA

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

The County of Riverside, Center for Government Excellence (CGE) staff has been certified to teach Vital Smarts courses. Vital Smarts is the only approved supplier of the training material used in conjunction with its licensed programs.

**Extent of market search conducted:**

The Human Resources Department has reviewed many Tactical Management Skills training programs and found Vital Smarts to be the most effective, highly rated and recommended program of their type.

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

Since 2003, Vital Smarts has designed and developed training materials that continue to be adopted by the County of Riverside. As the county-wide learning center, CGE provides Vital Smarts' courses that help individuals build the skills necessary to conduct effective conversations and solve behavior challenges to improve both morale and organizational performance.

**Reasons why my department requires these unique features and what benefit will accrue to the county:**

Since 2003, the County of Riverside's CGE has obtained their training and materials from Vital Smarts. The courses help build the competencies identified as necessary for County of Riverside managers, supervisors and leaders to be effective in building and sustaining a high performance culture. Further, CGE has five (5) highly experienced and certified instructors who teach Vital Smarts' courses.

The success of Vital Smarts' courses is evident as departments continue to report excellent results in preventing and resolving problems, causing an increase in productivity, communication, commitment, and employee engagement. Based on these results, CGE continues to experience an increased demand for services.

In addition, in the coming years, Vital Smarts' training and materials will be used as the pathway to success for the County of Riverside's Exclusive Care and Wellness Program.

**Price Reasonableness:**

The County of Riverside will receive the maximum discount on training and materials. Moreover, Vital Smarts recognizes their eight (8) year partnership with CGE by extending promotional discounts. As a result, CGE can continue to extend learning opportunities to County of Riverside employees at approximately 60% below market value.

Since 2009, CGE has successfully negotiated price reductions with Vital Smarts for training and materials resulting in a savings of approximately \$55,300 and continues to do so. Furthermore, by providing Vital Smarts training and materials in-house, the County of Riverside saves approximately \$800 per person in training costs alone.

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

No

**Period of Performance:**

Fiscal Year 2012/13, renewable in one year increments for up to three (3) years, not to exceed \$80,000 per fiscal year.

*Barbara J. ...*  
Department Head Signature Date

Purchasing Department Comments:

Approve  Approve with Condition/s  Disapprove

Not to exceed: \$ 80,000 One time Annual Amount through 6-30-2016

*Mark ...* 4-8-13 13-419  
Purchasing Agent Date Approval Number  
(Reference on Purchasing Documents)