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

FROM: Human Resources Department

SUBMITTAL DATE:
December 18, 2014

SUBJECT: Approve and execute the amendment to the service agreement with Vital Smarts of \$80,000 to an increased amount of \$150,000 annually, for purchase of training and materials. [District- All] [Total Cost - \$600,000] [Departmental Budget]

- RECOMMENDED MOTION:** That the Board of Supervisors:
1. Approve and execute the amendment to the service agreement with Vital Smarts of \$80,000 to an increased amount of \$150,000 annually, which contains an option to renew the agreement for three additional one-year periods; and
 2. 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 to not exceed the annual CPI rates.

BACKGROUND:

Summary
In 2003, the County of Riverside, Human Resources Department partnered with Vital Smarts to provide county employees with training proven to improve candid and respectful communication, and that drives rapid, sustainable, and measurable change.

Michael T. Stock
Asst. County Executive Officer/
Human Resources Director

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 150,000	\$ 150,000	\$ 600,000	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$	

SOURCE OF FUNDS: Departmental Budget

Budget Adjustment: NO

For Fiscal Year: 2014/15 – 2017/18

C.E.O. RECOMMENDATION: APPROVE

BY: Samuel Wong

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Benoit and Ashley
 Nays: None
 Absent: None
 Date: January 13, 2015
 xc: H.R., Purchasing

Kecja Harper-Ihem
 Clerk of the Board
 By: Deputy

Prev. Agn. Ref.: 4/23/13 3-37 | District: All | Agenda Number:

3-7

Lisa Brandl, Director
 PURCHASING & FLEET SERVICES

Departmental Concurrence

- A-30
- Positions Added
- 4/5 Vote
- Change Order

BACKGROUND:

Summary (continued)

As part of this effort, COR Learning Center, the county-wide learning center, has researched many organizational development companies and continues to find Vital Smarts' products and training the most effective and highly rated programs of their type.

The Vital Smarts' products, Crucial Conversations and Change Anything, have been adopted in a variety of ways throughout the County of Riverside, including the Leadership Initiative, Management Excellence Academy, Supervisory Excellence Academy, and Essentials of Leadership; as well as in various organizational development projects.

The success of Vital Smarts' courses is evident as departments continue to report excellent results in preventing and resolving problems, which increases productivity, communication, commitment, and employee engagement. Based on these results, COR Learning Center continues to experience an increased demand for Crucial Conversations and Change Anything training services.

Current spending authority under the original sole source is \$80,000. An additional \$70,000 per fiscal year is needed to cover training and material costs based on an increase in the demand for both classes. For future fiscal years, COR Learning Center will require \$150,000 total in expenditures with Vital Smarts; purchasing expenses incurred by COR Learning Center for training materials are cost recovered from individual departments and reimbursed to the Human Resources budget. A budget adjustment will be included with the mid-year budget report.

Impact on Residents and Businesses

Vital Smarts' products provided through COR Learning Center support the goal of having customer centric and business-friendly public service through the development of employees' personal and professional skills.

Contract History and Price Reasonableness

The County of Riverside will receive the maximum discount offered to government agencies. Moreover, Vital Smarts recognizes their nine year partnership with the County of Riverside by extending promotional discounts on training certifications and materials. As a result, COR Learning Center can continue to extend learning opportunities to County of Riverside employees at approximately 60% below market value.

The Human Resources department has successfully negotiated price reductions with Vital Smarts resulting in a savings of approximately \$95,300 since 2009. Furthermore, by providing Vital Smarts training and materials in-house, the County of Riverside saves approximately \$800 per person in training costs alone.

**COUNTY OF RIVERSIDE
AMENDMENT NO.1 TO THE AGREEMENT
WITH
VITAL SMARTS**

CONTRACTOR: Vital Smarts
Effective Date of Amendment: January 1, 2015

The Agreement between Riverside County; herein referred to as COUNTY and Vital Smarts, herein referred to as CONTRACTOR, and is amended as follows:

1. On the Agreement, amend the "Period of Performance":
To amend all reference to the Period of Performance from expiration of December 31, 2014 to a Period of Performance of January 1, 2015 through December 31, 2018; to be renewed in one year increments, unless terminated as specified in TERMINATION section.
2. Compensation will change from eighty thousand dollars (\$80,000) to one hundred fifty thousand dollars (\$150,000) annually, based on the availability of fiscal funding annually.
3. All other terms and conditions of the Agreement are to remain unchanged.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Amendment.

County
Board of Supervisors
4080 Lemon Street, 4th Floor
Riverside, CA 92501

Contractor
Vital Smarts
282 River Bend Lane
Provo, Utah 84604

By: <u>Marion Ashley</u>	By: <u>Mike Wilson</u>
Name: <u>MARION ASHLEY</u>	Name: <u>Mike Wilson</u>
Title: Chairman of the Board	Title: <u>Sr. Director</u>
Date: <u>JAN 13 2015</u>	Date: <u>12/19/14</u>

ATTEST:
KECIA HARPER-HEM, Clerk
By: [Signature]
DEPUTY

Date: November 20, 2014
From: Michael Stock **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 Human Resources Department, COR Learning Center 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, Crucial Conversations and Change Anything.

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, COR Learning Center 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:
In 2003, the COR Learning Center began to obtain certification and training materials from Vital Smarts. Courses help build competencies identified as necessary for County of Riverside managers, supervisors and leaders to be effective in building and sustaining a high performance culture. Furthermore, COR Learning Center has four 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, which increases productivity, communication, commitment, and employee engagement. Based on these results, COR Learning Center continues to experience an increased demand for services.

In addition, Vital Smarts' training and materials is used in the Pathways to Health program offered through 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 nine year partnership with COR Learning Center by extending promotional discounts on training certification and materials. As a result, COR Learning Center can continue to extend learning opportunities to County of Riverside employees at approximately 60% below market value.

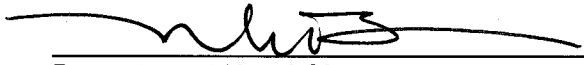
COR Learning Center has successfully negotiated price reductions with Vital Smarts resulting in a savings of approximately \$95,300 since 2009. Furthermore, by providing Vital Smarts training and materials in-house, the County of Riverside saves approximately \$800 per person in training costs alone.

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

No

Period of Performance:

Fiscal Year 2014/2015 for \$150,000, renewable in one year increments for up to three (3) years.



12-18-2014

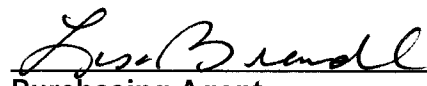
Department Head Signature

Date

Purchasing Department Comments:

Approve Approve with Condition/s Disapprove

Not to exceed: \$ 150,000.00 One time Annual Amount through FY17/18



12/22/14

15-339

Purchasing Agent

Date

Approval Number
(Reference on Purchasing Documents)