



**Agenda Item No. 2**  
**April 2, 2014 Meeting**

**DATE:** March 26, 2014

**TO:** Children and Families Commission of Orange County

**FROM:** Christina Altmayer, Executive Director 

**SUBJECT:** Modification to Performance Management System Agreement Terms and Schedule for Implementation

---

**SUMMARY:**

Proposition 10 mandates that each county commission develop a strategic plan and evaluate the effectiveness of programs and activities funded in accordance with the strategic plan. Since its inception, the Commission has relied upon internet-based performance management systems for collecting grantee data and progress reporting. In December 2013, the Commission authorized an agreement for a performance management system vendor, selected through a competitive process, and in February the Commission was notified that Persimmony International, Inc was selected. Negotiations with Persimmony International, Inc. are completed. This agenda item requests modification to the standard agreement terms and provides an update on the transition activities to date. Approval of the final contract amount of \$460,251, including implementation, is requested as well as the modified terms and conditions.

**DISCUSSION:**

Since 2000, the Commission has contracted with a data management vendor to provide a secure, internet-based performance management system for contracted providers to report on their progress in providing services to children and in furtherance of the goals, outcomes, indicators, and objectives in the Commission's Strategic Plan. This year, a contract was authorized with Persimmony International, Inc. to serve as the Commission's performance management system vendor. Persimmony now contracts with six First 5 Commissions in Southern California including four Commissions new to Persimmony (Los Angeles, Orange, Riverside, and Ventura) along with two Commissions who have had existing contracts (San Bernardino and San Diego). This staff report provides an update on the progress of transition to the new performance management system including: 1) successful negotiation of a vendor contract with significant cost savings; and, 2) positive feedback from the Commission's grantees in relation to training and functionality of the new service.

**Vendor Contract and Modification to Agreement Terms**

Commission staff and Commission Counsel have reached tentative agreement with Persimmony for the agreement for software licensing, support and training, and system maintenance which includes some modifications to the Commission's standard agreement.

Staff requests Commission approval of the modified terms as set forth in Attachment 1. The proposed terms vary from the Commission’s standard terms and conditions because this is a technology agreement rather than the standard human services agreement. The modifications have been developed in consultation with Commission Counsel.

Two objectives of the multi-county use of a common performance management vendor were to: 1) improve reporting of outcomes achieved by the Southern California region to allow for comparisons and regional summaries; and, 2) achieve cost savings. The total value of the agreement with Persimmony International, Inc. (Attachment 2) to provide performance management services for the Commission for period of February 1, 2014 through June 30, 2017 is a total amount not to exceed \$460,251. Through the participation of additional First 5 Commissions, the Orange County Commission’s actual costs are now projected at \$405,366 for the three year, and five months of the agreement. The revised cost represents an approximate 26 percent reduction from the Commission’s contract with the prior vendor. For FY 2014/15, the contract with the previous vendor was projected to be \$181,500.

Contracted Three-Year Costs of Performance Management System  
Persimmony International, Inc.

|  |                  |
|--|------------------|
| Feb – June 2014<br>(Implementation and Transition) | \$42,683         |
| FY 2014/15   | \$123,290        |
| FY 2015/16   | \$120,895        |
| FY 2016/17   | \$118,498        |
| <b>TOTAL</b>                                       | <b>\$405,366</b> |

A portion of the five-month prorated cost is a one-time flat fee of \$14,000 which includes: \$7,000 for data migration from the Commission’s current technology system to Persimmony, \$2,000 for Net Chemistry interface for Bridges Maternal Child Health Network data, \$2,000 for the Orange County Homeless Management Information System (HMIS) interface, and \$3,000 for customization of the invoice module including retention withholding from invoices. Since 2013, Commission staff has worked with the homeless provider community to standardize data, ensure quality reporting in the HMIS data system, ensure that data could be uploaded into the Commission’s Performance Management System, and avoid duplication of data entry. In addition, similar work has been undertaken with the Bridges Maternal Child Health Network technology supported by NetChemistry.

The costs for these components are consistent with the Commission’s budget parameters for the new system, which was a target of less than \$150,000 per year. Some savings have been realized from the early termination of the agreement with the existing provider, approximately \$37,800, with a net increase on the budget of \$5,000 for the current fiscal year. This budget impact has been addressed through savings in other program areas.

### **Grantee Transition: Training and Functionality**

After the February Commission meeting, the Commission's program contractors were notified of the selection of the new performance management system vendor and scheduled outreach and training sessions to support a smooth transition by the April 2014 "go live" date, now targeted for April 7. While a final executed agreement with Persimmony is pending Commission's consideration of modified contract terms, as presented in this agenda item, the vendor has in good faith fully performed the technical support required to upload data from the Commission's prior performance management system by the April 7 "go live" data.

Since February, Persimmony International has held weekly implementation phone calls with Commission staff and has participated in grantee trainings. This past month, the Evaluation Manager has held 11 training sessions on the new service and set up accounts for over 200 users from the Commission's grant programs. All of the grantees have been positive about the transition and Persimmony's support. Comments have included "very intuitive" and "easy to use". In addition, grantees have commented that they have appreciated being involved as the system is being implemented to help inform the process.

Also, Commission staff and Persimmony have continued to meet with the other Southern California First 5 Commissions to ensure joint planning. Recent discussions have included: best practices for collecting demographics, service and assessment data; common data reporting; and understanding the uniqueness of each Commission.

### **STRATEGIC PLAN & FISCAL SUMMARY:**

The proposed actions have been reviewed and are consistent with the Commission's Strategic Plan, and Capacity Building goal. The funding request of up to \$150,000 per year for the term of the agreement, including implementation across three fiscal years, has been authorized for FY 2014/15 and would be proposed for inclusion in the FY 2015/16 and 2016/17 proposed budgets.

### **PRIOR COMMISSION ACTIONS:**

- February 2014 – Received update on notification of award for performance management system and schedule for implementation.
- December 2013–Authorized Executive Director to enter into an agreement with one of three finalists.
- November and September 2013–Received update on multi-Commission performance management system vendor selection process.
- October 2011–Approved current performance management system.

### **RECOMMENDED ACTION:**

1. Receive update on transition to the new performance management system.

2. Approve modified agreement terms as described in Attachment 1 and authorize the Executive Director or Designee and Commission Counsel to negotiate and enter into Agreement FCI-POM-03 with Persimmony International, Inc., in an amount not to exceed \$460,251, for the period of February 1, 2014 through June 30, 2017, for a software system for data collection and reporting.

**ATTACHMENTS:**

1. Summary of Key Revisions from the Commission's Standard Agreement Template
2. Persimmony International, Inc Agreement #FCI-POM-13, Updated Projected Costs and Savings

**Contact:** Alyce Mastrianni  
Kim Goll

## Summary of Key Revisions from the Commission's Standard Agreement Template

| <b>Modified Terms:</b> |                                |   |
|------------------------|--------------------------------|---|
| Section 1              | Term                           | Agreement covers 3 program years plus 5 months for implementation and transition to new system.   |
| Section 5              | Subcontracts                   | Added language acknowledging Contractor's use of existing subcontractors.   |
| Section 7              | Indemnification                | Removed requirement for written approval of counsel by Commission and authorized apportionment of liability if a dispute is settled out of court.   |
| Section 10.1           | Compliance with Laws           | Added requirement for compliance with HIPAA.  |
| Section 10.3           | Care of Work                   | Added language clarifying Contractor's scope of responsibility for the Services provided under this Agreement.  |
| Section 11.5           | No Pending Investigation       | Added language requiring Contractor to provide notice of any threatened litigation which becomes known after contract execution.  |
| Section 15             | Compensation                   | Standard invoicing, retention and payment process provisions modified to reflect payments for software licensing, maintenance, support and customization.   |
| Section 18             | Records                        | Removed language related to cost reimbursement contracts which is not applicable to this Agreement and modified language establishing reasonable access to records and protection of proprietary information. |
| <b>Added Terms:</b>    |                                |   |
| Section 6              | Limitation of Liability        | Each party's liability limited to one year's fees.  |
| Section 11.7           | Program Warranty               | Description of warranty provided for the System.  |
| Section 11.8           | Disclaimer                     | Except as to the warranty provided in 11.7, Contractor disclaims any other warranties.  |
| Section 20             | Proprietary Information        | Definition of proprietary information for Contractor and for the Commission.  |
| Section 22             | License Grant and Restrictions | Description of license granted by Contractor under the Agreement and the restrictions for use of the System by Commission and its staff, consultants and service providers.                                   |
| Section 27             | Force Majeure                  | Relieves both parties of contract obligations during times of war or circumstances due to an "act of God", etc.   |
| Section 28             | Survival                       | Acknowledges specific provisions which would continue beyond termination or expiration of the Agreement such as indemnification, limitation of liability, insurance, confidentiality, etc.                    |

| <b>Deleted Terms:</b>   |   |  |
|-------------------------|---|--|
| Section 8.3             | Technical Requirements for PCs and Software Used by CONTRACTOR                                    | Not applicable to this Agreement.  |
| Section 8.4.2 and 8.4.3 | Personnel Disclosure, and Records re: Personnel   | Not applicable to this Agreement. Contractor has no employees and all support personnel are independent contractors. |
| Section 9.12            | Use of Commission Name and Logo   | Not applicable to this Agreement.  |
| Section 9.17            | Child Abuse Reporting   | Not applicable to this Agreement.  |
| Section 9.18            | Contractor Cooperation with other Commission Contractors  | Not applicable to this Agreement.  |
| Section 14              | Audits  | Not applicable to this Agreement.  |
| Section 17.5            | Ownership of Records  | Not applicable to this Agreement.  |
| Section 18              | Contractor Obligation to Provide Data for Commission's Evaluation and Contracts Management System | Not applicable to this Agreement.  |
| Section 19              | Ownership of Intellectual Property Rights   | Not applicable to this Agreement.  |
| Section 24              | Reversion of Assets   | Not applicable to this Agreement.  |

**Persimmony International, Inc Agreement #FCI-POM-03  
Updated Projected Costs and Savings**

The total value of the agreement with Persimmony International, Inc. to provide system set up, testing, customization, data migration, training, data collection/reporting, contract management, and support services for the period of February 1, 2014 through June 30, 2017, is a total amount not to exceed **\$460,251** but projected actual costs are **\$405,366** based on a confirmed 4 county discount as follows:

| Description  |  |                  |                  |                  |                  |
|--|--|------------------|------------------|------------------|------------------|
| (Orange County Only)   | 2/1/14-6/30/14                             | 7/1/14-6/30/15   | 7/1/15-6/30/16   | 7/1/16-6/30/17   | Total Agreement  |
| Licensing and Ongoing System Maintenance   | Prorated 3-months<br>(April-June) \$34,031 | \$136,125        | \$133,403        | \$130,734        |                  |
| Training – Initial and Ongoing<br>Technical Support – Implementation and Ongoing   | Prorated 5-months \$1,458                  | \$3,500          | \$3,500          | \$3,500          |                  |
| Data Migration – One-Time Flat Fee and System Modifications  | *\$14,000                                  | \$0              | \$0              | \$0              |                  |
| <b>TOTAL FEES:</b> Plus discount below based on number of additional counties that contract with Persimmony through RFP by July 1, 2014. | <b>\$49,489</b>                            | <b>\$139,625</b> | <b>\$136,903</b> | <b>\$134,234</b> | <b>\$460,251</b> |
| Quantity F5 Discount if 2 Counties award contract through RFP  | Prorated 5-month (\$3,025)                 | (\$7,260)        | (\$7,115)        | (\$7,024)        |                  |
| Quantity F5 Discount if 3 Counties award contract through RFP  | Prorated 5-month (\$5,294)                 | (\$12,705)       | (\$12,451)       | (\$12,251)       |                  |
| Quantity F5 Discount if 4 Counties award contract through RFP  | Prorated 5-month (\$6,806)                 | (\$16,335)       | (\$16,008)       | (\$15,736)       |                  |
| Quantity F5 Discount if 5 Counties award contract through RFP  | Prorated 5-month (\$7,563)                 | (\$18,150)       | (\$17,787)       | (\$17,478)       |                  |

**Projected Annual Cost Based on Four County Discount    \*\$42,683    \$123,290    \$120,895    \$118,498    \$405,366**

|  |           |
|--|-----------|
| Three-Year Cost of Prior Vendor Agreement              | \$544,500 |
| Maximum Payment Obligation Without Discounts           | \$460,251 |
| Projected Actual Total Cost Based on 4 County Discount | \$405,366 |

\*The one-time flat fee of \$14,000 (previously estimated to be \$12,000, December 2013) includes: \$7,000 for data migration from the previous data system to Persimmony, \$2,000 for Net Chemistry interface for Bridges data, \$2,000 for the Orange County Homeless Management Information System (HMIS) interface, and \$3,000 for customization of the invoice module, including retention withholding from invoices.

The costs for these components are consistent with the Commission's budget parameters for the new Performance Management System, which was a target of less than \$150,000 per year, and \$45,000 or less for the February – June 5-month transition and implementation period.