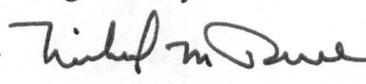


Agenda Item No. 5
August 1, 2007 Agenda

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CLERK OF THE BOARD
ORANGE COUNTY
BOARD OF SUPERVISORS

DATE: July 20, 2007
TO: Children and Families Commission of Orange County
FROM: Michael M. Ruane, Executive Director 
SUBJECT: The Bridgespan Group - Strategic Assessment

SUMMARY:

The Children and Families Commission of Orange County directed staff and Christina Altmayer to initiate the process to retain a national consulting firm to conduct a strategic assessment of the Commission at the February 2007 meeting. At the March meeting, the Commission approved a status report, timeline and budget. At your June Commission Planning Meeting, Mr. Mike Perigo from the Bridgespan Group presented an overview of their approach to business planning. At that meeting the Commissioners discussed important issues, from their perspective, for Bridgespan to address if selected to conduct the outside strategic assessment.

An agreement with the Bridgespan Group is recommended to conduct the strategic assessment and planning initiative of the Commission over a five-month period for a total, one-time cost of \$325,000 plus expenses. The Bridgespan Group will implement the three phased work plan in October 2007 with phase one focused on assessment, phase two focusing on designing changes to the organization as warranted by the assessment, and phase three focusing on the suggested changes to the existing strategic plan. The Bridgespan Group proposal is included as Attachment 1.

Prior to launching the strategic assessment in October, Bridgespan will work with the Commission to develop the schedule and decision making process including the formation of a Steering Committee and Working Group. The Executive Director and Bridgespan representatives will also meet with an ad-hoc working group of Commissioners throughout the study period.

There is a possibility that the Bridgespan Group may be able to initiate the Strategic Assessment in early September due to some workload shifts on existing projects. In this case, we would adjust the timeline accordingly.

STRATEGIC PLAN AND BUDGET

This project has been specifically reviewed in relation to the Strategic Plan and is consistent with the Capacity Building outcome goal. This request is an amount not to exceed \$350,000 (\$325,000 plus estimated expenses not to exceed \$25,000) commencing August 1, 2007 to June 30, 2008. Funding for this project is available from the federal reimbursement of staff and consultant costs

related to the health access program (MAA Reimbursement Revenues). This would eliminate an impact upon budgeted tobacco tax revenues.

RECOMMENDED ACTION:

Adopt resolution authorizing Executive Director or designee to prepare and enter into an Agreement (PS-44) with the Bridgespan Group for the period of August 1, 2007 to June 30, 2008 to conduct a strategic assessment of the Children and Families Commission of Orange County and provide an implementation plan in an amount not to exceed \$350,000.

ATTACHMENTS

1. The Bridgespan Group Proposal to Support the Children and Families Commission of Orange County
2. Resolution authorizing payment to the Bridgespan Group

Contact: Michael Ruane

Proposal to Support the Children and Families Commission of Orange County
The Bridgespan Group
July 12, 2007

Our Understanding of the Situation

The Children and Families Commission of Orange County was created as a result of Proposition 10, the California Children and Families Act of 1998. The proposition added a 50-cent sales tax on tobacco products sold in California and requires that funds raised be used to support education, health and child development programs for children from the prenatal stage through age five. The Commission was established in December, 1998; the first meeting was held in September, 1999; and a process and budget for the development of the original strategic plan was approved in November, 1999.

The Commission's mission is to "provide leadership, funding and support for programs that achieve the vision that all children are healthy and ready to succeed when they enter school" and the Commission's activities are aligned under four goals: healthy children, strong families, ready to learn, and quality services. From its inception, the Commission has been politically independent and focused on promoting and funding services that are results-oriented and evidence-based.

As a result, the Commission has been highly successful in achieving results for the children and families of Orange County and in operating as an adaptive, performance-oriented organization. Despite, or perhaps because of, this success, the Commission now seeks to answer three related questions:

1. Are we maximizing our impact within Orange County? If not, what changes can we make to our strategic plan and business plan in order to have greater impact?
2. While continuing to focus our direct efforts within Orange County, how can we best have beneficial impact on the lives of children and families beyond Orange County?
3. Are there ways that we can improve the effectiveness of our organization?

To answer these questions, the Commission desires:

- An assessment of the relative impact of its various programs and services,
- An external perspective on the effectiveness of the organization relative to best practice organizations within, and outside, the sector, and
- A refreshed strategic plan to guide the next level and phase of impact.

The Commission is looking for an objective and trusted partner to support this process and will value a fact-based, rigorous approach to guide the resulting decisions.

Background on Bridgespan

Bridgespan's mission is to build a better world by strengthening the ability of nonprofit organizations to achieve breakthrough results in addressing society's most important challenges and opportunities.

The Bridgespan Group (www.bridgespangroup.org) was launched in January 2000, after being incubated at Bain & Company, Inc., the global, for-profit strategy consultancy. Our founding was motivated by the desire to provide nonprofits with access to the same sort of high quality, data-driven, strategic and organizational advice commonly available to for-profit organizations.

Our mission, strategy, and belief in the power of "bridging" the best ideas and people across the sectors have led us to build an organization with some distinctive characteristics. Chief among them is the fact that Bridgespan is organized as an independent 501(c)(3) nonprofit organization. Our mission and charter enable us to focus on organizations with the greatest potential for impact and to generate knowledge that can be shared widely rather than be treated as proprietary. The fact that we have a staff comprised mostly of people who are dedicated to the sector, rather than being an organization of people who are engaged in this work briefly or part-time on a pro bono basis, is crucial to our effectiveness.

In the years since our launch, we have demonstrated the power of applying cutting-edge strategic thinking and analysis to the challenges facing nonprofits and foundations in a variety of settings. We have worked with more than 100 clients (our clients: www.bridgespangroup.org/con_clients.html), and these clients report that Bridgespan is having a significant impact on their organizations' performance: strengthening their capabilities, introducing new ways of thinking, and improving their ability to maximize their social impact.

Our clients come from many parts of the sector (e.g., youth development, education, environment, community development) and face many types of strategic issues. Bridgespan's consulting relationships focus on results. Put simply, we seek opportunities to help high-performing organizations maximize the impact of their work. Our consulting engagements with nonprofits involve strategic and organizational issues ranging from questions of focus and growth, to effective performance measurement, the challenge of balancing mission and economic sustainability, and the use of technology for social change.

Every engagement is highly customized, focusing on the unique challenges and opportunities of each client we serve. Our work centers around framing the key questions, bringing data and analysis to bear on those questions, facilitating values-based discussion about important strategic and organizational choices, and laying out an implementation plan that encompasses the economic and organizational implications of the plan (case examples: www.bridgespangroup.org/kno_casestudies.html).

The Proposed Areas of Focus

1. The Assessment of the Impact of Current Programs and Services

In our view, the "impact assessment" is, first and foremost, a means of reinforcing the Commission's principle of being as results-driven and evidence-based as possible in its decisions and actions. The assessment reinforces this principle by bringing additional information to bear and by itself serving as a process of evaluation and adaptation. Accordingly, the assessment is both a standalone stream of work and a core input into the refreshed strategic plan.

Multiple methods will be used to assess the impact of the various programs and services and judgment will be used to integrate the results. Among the methods envisioned to assess impact are:

- The degree to which the program / service is aligned with the Commission's mission, intended impact, and desired role in the Orange County system of providers (i.e., even if successful, does it fit well with what we're trying to achieve?)
- The degree to which the program / service provider has executed on the plan that was funded (i.e., before we look at outcomes, did the right activities occur?)
- The estimated "return on investment" from the program / service based on quantified estimates of benefits and/or avoided costs relative to the investment (i.e., what are the benefits of an incremental dollar invested, relative to the other programs and services?)
- The degree to which the programs, individually and collectively, have resulted in material progress against the Commission's objectives (i.e., are we making sufficient progress against our community indicators?)

Multiple information sources will be tapped to inform the assessment, including existing CFCOC information and performance systems, internal interviews, interviews and information requests from grantees, reviews of existing estimates in third-party literature and case studies, and principled, transparent economic analysis conducted by Bridgespan.

While there will be implications for specific programs and services, our expectation is that there also will be significant value in thinking at the level of the "portfolio" of programs and services. For example, the assessment will enable the development of alternative portfolios of programs and services, each organized around certain investment themes or principles. This will not only serve as a useful input to the refresh of the strategic plan, but also will ensure that the results of the impact

assessment will be used in a strategic manner, and not merely as a set of financial inputs that result in pruning programs in a non-strategic manner.

Finally, where "proven models" are identified, the assessment will create a platform upon which the Commission can achieve broader impact by demonstrating results to other counties and states – and this will feed well into the parallel initiative with the White House Writers Group.

2. The Organizational Assessment

The organizational assessment presents an opportunity to conduct a thoughtful review of the organization, now several years after its inception, with an eye toward asking "what can we do better?" When combined with the impact assessment and the refresh of the strategic plan, the organizational assessment will enable a holistic view of what it required for the Commission to deliver the next level of impact it seeks in the coming years.

The scope of inquiry will be focused on those aspects of the organization most likely to have significant influence on the Commission's impact on children and families. Specifically, we envision that the organizational assessment will span:

- The Commission's goals and intended impact, given its mission
- The degree to which programs and services are aligned with the intended impact
- The decision-making principles and processes employed
- How decisions are executed and how results are monitored and managed
- Organizational capabilities, roles, and structure

The information to support the organizational assessment will come from multiple sources, including interviews (with staff, Commission members, and external sources), benchmarking relative to other organizations (other First 5 organizations, other high-performing non-profit organizations, other high-performing organizations), leverage of Bridgespan and Bain research on organizational effectiveness, reviews of internal documents and processes, and analysis of how particular decisions were made.

The organizational assessment will provide the Commission with concrete recommendations on how to improve organizational effectiveness. In addition, by clarifying the linkages between organizational effectiveness and beneficiary impact, the organizational assessment will ensure that the Commission benefits from greater clarity regarding the capabilities, processes, and structure required to achieve the next level of impact captured in the refreshed strategic plan.

3. The Strategic Plan

The impact assessment will flow naturally into the development of a set of choices to be made amongst alternative investment themes or portfolios. Similarly, the organizational assessment will inform the changes that can be made to create the organization best capable of supporting the next phase of the Commission's operations.

The strategic plan phase of the initiative will facilitate the strategic and organizational decisions that need to be made, determine the organizational and financial implications of the decisions, and result in the development of a new strategic plan.

The Bridgespan team will facilitate the decision-making through a series of fact-based and alternatives-based dialogues, first with staff members and then with the Commission itself. The Bridgespan team also will lead the development of the new strategic plan with the support of the CFCOC staff.

Overview of Work Phases and Timeline

The initiative will be structured around three phases of work, the first focused on assessment, the second focused on agreeing upon a set of changes to the portfolio and to the organization (each as warranted by the assessment), and with the third phase focused on the integration of any changes into a revised strategic plan to guide the focus of the Commission over the next phase of its operations.

In our experience, and based on our current understanding of your needs and situation, the phasing and associated timetable imply an engagement of five months, which will be sequenced as follows, with some overlap in phases:

- **Phase I: Assessment** (3 months)
 - Assess the Impact of Current Programs and Services
 - Assess the Effectiveness of the Organization

- **Phase II: Design** (2 months)
 - Evaluate Changes in the Portfolio of Programs and Services
 - Evaluate Changes to the Organization to Support the Next Level of Impact

- **Phase III: Develop the Refreshed Strategic Plan** (1 month)

Leadership, Resources, and Cost

While it is important to the Commission that the assessment represents an independent, external perspective on the impact and organization, we propose that the process be as interactive and collaborative as possible.

We recommend the formation of a Steering Committee to meet monthly during the engagement to review work in progress and to provide overall direction on the initiative. The Steering Committee will be led jointly by Mike Perigo from Bridgespan and Mike Ruane from the Commission, and will include members of the management team, senior members of the Bridgespan team, and perhaps select members of the Commission itself, as warranted.

We also recommend the formation of a Working Group, comprised of staff members who will work with the Bridgespan team on a part-time basis. We will meet regularly with the Working Group to discuss key questions, discuss relevant analyses, and structure alternatives for review with the Steering Committee.

Mike Perigo, a Partner from Bridgespan's San Francisco office, will lead the Bridgespan team. In addition, Bridgespan will provide an engagement manager and a team of three to four additional consultants.

Based on our experience in conducting assessments and developing business plans for similar organizations, we recommend that the engagement span six months. The total cost of a five-month engagement would be \$325,000, and would be billed in equal installments at the end of each month of the engagement. Travel and other direct expenses will be billed at cost and would be in addition to the fees quoted above.

Bridgespan could provide the team required for a start in mid-October.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ___-07-C&FC

August 1, 2007

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE EXECUTIVE DIRECTOR AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE FINAL FORM OF AGREEMENT PS-44 WITH THE BRIDGESPAN GROUP, A CALIFORNIA NONPROFIT COPORATION AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the "Act") implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County ("Commission"); and

WHEREAS, the Commission adopted a Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County's children prenatal to five years of age as codified in the Act; and

WHEREAS, the Executive Director and Commission Counsel have prepared a form Master Agreement for Professional/Consulting Services ("Master Agreement"); and

WHEREAS, the Commission desires to enter into Agreement PS-44 with The Bridgespan Group, for the period August 1, 2007 through June 30, 2008 in an amount not to exceed \$350,000 to conduct a strategic assessment of the Children and Families Commission of Orange County and provide an implementation plan, which services promote the purposes of the Act and the Strategic Plan; and

WHEREAS, capitalized terms used in this resolution are as set forth in the Grant Agreement, unless separately defined herein; and

WHEREAS, Commission has reviewed the August 1, 2007 staff report relating to the Scope of Services to be provided and hereby finds and determines that the proposed Agreement is in furtherance of and consistent with the Commission's Strategic Plan; and;

WHEREAS, all actions required by applicable law with respect to the proposed Agreement have been taken in an appropriate and timely manner.

NOW, THEREFORE BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

Section 2 Commission authorizes the Executive Director to prepare and negotiate the final form of Agreement No. PS-44 with The Bridgespan Group, in an amount not to exceed \$350,000 for the period August 1, 2007 through June 30, 2008 to conduct a strategic assessment of the Children and Families Commission of Orange County and provide an implementation plan in support of the Act and the Strategic Plan as specified in the August 1, 2007 staff report;

Section 3 The form of the Agreement with The Bridgespan Group, shall be substantially similar to the form of the approved Master Agreement, subject to minor, non-substantive revisions as reviewed and approved by the Executive Director. The approval by the Executive Director, or designee, of the final form of the Agreement shall be conclusively evidenced by the execution of such agreement by the Executive Director and delivery thereof to the Commission Clerk.

Section 4 Commission hereby approves Agreement No. PS-44 with The Bridgespan Group, in an amount not to exceed \$350,000 for the period August 1, 2007 through June 30, 2008 to conduct a strategic assessment of the Children and Families Commission of Orange County and provide an implementation plan in support of the Act and the Strategic Plan as specified in the August 1, 2007 staff report.

Section 5 The Executive Director and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Agreement on behalf of the Commission.

Section 6 A copy of the final form of Agreement PS-44 with The Bridgespan Group , when executed by the Executive Director and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. The final executed Agreement shall be placed on file in the office of the Clerk of the Commission.

Section 7 In addition to the authorization of Sections 2, 3, and 5 above, the Executive Director (or his designee) is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreement, (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement, and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement in the furtherance thereof.

Section 8 The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on August 1, 2007 to wit:

AYES Commissioners: _____

NOES: Commissioner(s): _____

EXCUSED: Commissioner(s): _____

ABSTAINED: Commissioner(s) _____

CHAIR

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, DARLENE J. BLOOM, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

IN WITNESS WHEREOF, I have hereto set my hand and seal.

DARLENE J. BLOOM
Clerk of the Commission, Children and Families Commission of
Orange County, County of Orange, State of California

Resolution No: __-07--C&FC

Agenda Date: August 1, 2007

Item No.



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

DARLENE J. BLOOM, Clerk of the Commission

By: _____
Deputy

EXHIBIT A TO RESOLUTION OF COMMISSION

(Attach copy of final executed Agreement No. PS-44 with The Bridgespan Group)