



Children & Families
Commission of Orange County

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**Agenda Item No. 6
October 7, 2009 Meeting**

DATE: September 25, 2009
TO: Children and Families Commission of Orange County
FROM: Michael M. Ruane, Executive Director 
SUBJECT: Vendor Selection for Performance Management Systems

SUMMARY:

As directed by the Commission in January 2009, staff has completed a Request for Proposal (RFP) process for a Performance Management System. The Commission's existing system is used to collect, store and report service and outcome data from the over 200 grantees that provide services to children and families through Commission funding. Included in this agenda item is background on the Commission's current system for performance management, an overview of the RFP process, and recommendations for vendor selection.

Background

The Commission has contracted with the Corporation for Standards and Outcomes (CS&O) to provide support and operate the Outcomes, Collection, Evaluation, Reporting System (OCERS) software since October 2000. The OCERS software provides the Commission with an automated, real time management tool for contract monitoring, invoicing, data collection, and analytic tools.

In May 2006, the Commission approved the most recent agreement with CS&O which is due to expire on December 31, 2009. This agreement is separated into fixed costs (including but not limited to a licensing fee, technical support, data storage, and data security) and variable costs (including but not limited to design work to ensure capability with the County of Orange Auditor Controller systems, and building out invoicing and care coordination modules for grantee use) with a three year total maximum obligation of \$2,839,271 (annual payments totaling between \$700,000 to \$780,000).

As part of the Commission start-up with CS&O, Commission staff and consultants spent a substantial amount of time and effort in the design of key system components and functionality. In exchange, the Commission negotiated a royalty clause into the agreements with CS&O to capture the value of the Commission's intellectual property when the system was purchased by other entities. In the initial years of this arrangement, the Commission had annual revenue from these royalty payments in excess of \$100,000 in the last two years these payments have been less than \$20,000 annually.

Request for Proposal

The strategic assessment that Bridgespan conducted included a review of the Commission's Performance Management System and resulted in the following recommendations:

- Focus evaluation system on measuring intended child outcomes
- Streamline data collection
- Develop tools that will help in strategic decision making (dashboards)

In developing the request for proposal, these concepts were incorporated into the RFP document. Specifically, applicants were asked to demonstrate their ability to track client outcomes and report on client outcomes, import data from grantees unique data systems, and to reproduce reports that integrate outcomes measurements across programs. The RFP document was released in February 2009, the release included a public notice in the Orange County Register, posting on the Commission's website and the First 5 Association website, as well as distribution through the Commission on-call evaluation firms, and vendors known to perform such services.

The Commission received eight proposals, which were distributed to a review panel and a group of technical experts for review. Each proposal was reviewed based on the following criteria:

- Vendor Capacity
- System Functionality (based on the description of Commission needs included in the RFP document)
- Reporting Capabilities
- Confidentiality and Security of Data
- Experience of Vendor
- System Transition (transfer of data from existing system to new system)
- Flexibility of the System
- Qualification(s) of Staff
- Cost
- Ability to meet optional system functionality (such as invoicing and contract management)

After an initial review of the written responses based on the criteria above, the top four applicants were invited to demonstrate their products for the review panel and technical experts. The demonstrations provided clarity as to system functionality and reporting capabilities. The review panel identified the top applicant and ranked the firms in the following order upon completion of the proposal review, demonstration, and reference checks:

Applicant Rankings	1	2	3	4
	Mosaic Network, Inc.	Persimmony International, Inc.	Corporation for Standards & Outcomes	AJ Wong, Inc.
Year 1	\$215,750.00	\$324,420.00	\$598,114.72	\$210,000.00
Year 2	\$181,500.00	\$235,725.00	\$630,558.00	\$183,800.00
Year 3	\$181,500.00	\$242,509.20	\$607,136.28	\$108,400.00
Year 4	\$181,500.00	\$249,537.44	\$618,537.01	\$87,500.00
Year 5	\$181,500.00	\$256,820.03	\$628,151.53	\$87,500.00
Total	\$941,750.00	\$1,309,011.67	\$3,082,497.54	\$637,200.00

Mosaic Network, Inc. was determined to best meet or exceed the Commission's identified needs for data collection and reporting, based on firm experience, team qualifications, and system functionality. The system allows for:

- GIS mapping of collected data
- Ability to import data from grantee data systems
- Integration between aggregate data and client based data which will result in reduced data inputting for grantees.

Additionally, this firm has both experience with other County Proposition 10 Commissions and national and international foundations such as the Gates Foundation, the Bloomberg Foundation, and the Annie E. Casey Foundation. Their work with the Bloomberg and Gates Foundations have led them to a project working with public school system tracking of student outcomes, similar to the Commission's desire to track reading and math scores of children that have received services from Commission funded programs.

Based on review panel analysis and staff review, it is recommended that the Commission direct staff and special counsel to begin negotiations with Mosaic Network, Inc. A detailed explanation of the critical elements of negotiations is included in Attachment 1. The proposed cost for the first year of service will represent a savings of \$484,250 or 69 percent. This savings is an estimate and may change depending on further review by special counsel and Commission staff. There are four unique elements of the existing system that were present in the RFP as optional elements because they were extremely customized for the Commission and not likely to be included as part of other performance management systems.

Mosaic Network, Inc. referenced the optional items in their proposal but it is expected that some system programming may be needed to satisfy the Commission's needs in these optional areas. The potential need for system programming in these areas might also result in a need to continue to contract with the current vendor for a limited time to ensure that grantees can still invoice online, that invoices are submitted electronically to the County Auditor-Controller for payment, and for use by those grantees participating in leveraging programs that require tracking of case management services. A better understanding of the timing and details of building or accessing these optional components will be better understood during the negotiations for the performance outcomes management system. A report of these components and the negotiated agreement with Mosaic Network, Inc. will be presented at the November 2009 Commission meeting.

STRATEGIC PLAN & FISCAL SUMMARY:

The proposed agreement has been specifically reviewed in relation to the Strategic Plan, and the recommended action is designed to further the Capacity Building goal. The estimated annual cost is \$215,750 and is included in the Commission's FY 2009-10 Budget.

PRIOR COMMISSION ACTIONS:

1. January 2009- Direct to staff to release the request for proposal
2. May 2009- Delay review of submissions

RECOMMENDED ACTIONS:

1. Select Mosaic Network, Inc. as the vendor for the Commission's Performance Management System.
2. Direct Executive Director or designee and special Commission counsel to negotiate and develop a three year agreement with Mosaic Network, Inc. for performance management outcome system services and return in November/December for Commission approval based upon the enclosed term sheet (Attachment 1).

ATTACHMENT:

1. Proposed Terms and Conditions

Contact: Kim Goll

Proposed Terms and Conditions	
Term	3 years with the potential for renewal for two additional years.
Cost	3 years at \$578,750 and two additional years at an additional cost of \$363,000. Final price, including cost for optional requirements, will be confirmed as part of contract negotiation. Contract will be fixed fee price.
Hardware/ Software	Agreement will be structured as an Application Service Provider, which requires the vendor to be responsible for all system maintenance and related hardware maintenance. Vendor is responsible for purchase of all system hardware. Commission and grantees are responsible for all desktops to access system.
Technical Support	Vendor must provide technical product support as well as training to all system users at start up and then on an ongoing basis as needed.
Web Capability	System must support data entry and system uses at multiple locations simultaneously.
Outcome and Program Level Data Collection System	Must be able to provide multiple levels of reporting including Commission wide, initiative, program, and client level (service, results, and outcomes). Reports must also include standard reports that will satisfy statewide reporting requirements as well as ad hoc reports that are customizable at the user level.
Security and Confidentiality	System must be able to provide appropriate confidentiality for the client level data as well as system wide security, including multiple levels of users with different security and access levels.
Customizable and Flexibility	Flexibility of system designed to provide opportunities to customize system as changes to the evaluation framework or strategic plan occur.
Ability to Satisfy Optional Requirements	There are four functional additions to the system that the Commission has in place with the current vendor and it is important to maintain them. Mosaic's proposal did indicate that their system was capable of providing all four additional components within the price proposed.