COMMUNITY-BASED ORGANIZATIONS: PARTNERS IN THE COMMUNITY

Summary

Santa Clara County (County) government depends on over 100 community-based organizations (CBOs) to provide many kinds of services to residents of the county. In FY2012, ten County agencies (Departments) have issued 155 contracts with 117 CBOs totaling $46,498,272. Due to the large amount of money involved in CBO contracts, the number of organizations involved, and the important role of the services provided, the Grand Jury investigated the program performance of CBOs that receive money from the County General Fund and how the County manages these contracts.

Background

The CBOs contracted by the County are generally non-profit, non-governmental organizations. The size of these organizations and the range of services they provide vary depending on their funding dollars and scope of work. This kind of public-private partnership is a fairly recent development. Until the 1950s, the County provided essential services for the public. That changed when CBOs offered to provide some services at a lower per client/customer cost. CBOs now provide services that were previously delivered by Departments. These services are delivered under contracts with Departments.

Virtually all the 155 contracts the County awards to CBOs provide direct help to County residents:

- Comprehensive medical care
- Mental health services
- Temporary housing for the homeless

1 For the purposes of this report, County agencies, departments, and offices are referred to as Departments.
2 Santa Clara County Fiscal Year 2012 Final Budget, List of General-Funded Community-Based Organizations, pp 385-391.
3 According to CBO interviews, CBOs are less costly than the County, comparing same services. This cost savings is generally derived from lower overhead at CBOs compared to the County. CBOs also rely on a large volunteer network.
Drug treatment programs
HIV/AIDS screening
Intervention with young people at risk of becoming members of gangs
Job/skills training
Immigration legal services
Help for those who are developmentally disabled
Transportation for the physically disabled
Counseling for families in crisis.

The CBOs that contract with the County also have contracts funded by federal and state agencies. The reporting requirements are very complicated because of varying program guidelines and rules for each grant or funding source. Each individual contract has specific criteria that must be monitored, measured, and reported on as a condition of receiving funds. County public funds combined with federal and state dollars create blended funds for Departments and CBO program services.

Methodology

The Grand Jury interviewed all the Departments that manage CBO contracts, the CBO managers, toured CBO facilities and collected surveys from the CBOs (refer to Appendix A for a chart of the CBOs/Departments selected).

The Grand Jury’s written survey requested the following:

1. Provide a brief history of your organization and its overall purpose.
2. Provide a list of all the programs your organization supports with the money you receive from Santa Clara County funds.
3. What is the geographical area in which you provide services?
4. Who is your target audience and how do you reach them?
5. How do you measure success in your programs and services?
6. How do you internally track compliance with the County contracts?
7. Which County department(s) manage(s) your contract(s)?
In addition, the Grand Jury reviewed the following documents:

- Multiple Requests for Proposals (RFPs)
- Master contracts between Departments and the CBO service providers
- Standard and non-standard service agreements
- *County of Santa Clara Fiscal Year 2012 Recommended Budget, Executive Summary*
- *County Board Policies on Contracting and Bidding, Adopted September 1994, revised May 24, 2010*
- Various performance monitoring documents, activities, and reports used by Departments.

**Discussion**

The Grand Jury selected a sampling of CBOs to review, based on specific criteria that allowed the Grand Jury to examine each Department that contracts with a CBO:

- Any CBO with a contract of $1M or more
- Those CBOs under contract with more than one Department, where each contract is less than $1M, but whose contracts total more than $1M
- Any other Department awarding a contract to a CBO not represented by the above criteria.

Individual contracts ranged from $6,500 to almost $6M. Regardless of size, each of these contracts allowed the County to deliver services with flexibility and economy that might not be possible if County government were providing the services directly. According to interviews, CBOs generally can deliver service at a lower cost than government agencies, but since these are also private organizations and since a great deal of taxpayer money is involved in these contracts, it is essential that they are carefully monitored and managed. Careful management is also essential because the services CBOs provide are depended upon by many thousands of County residents.

The Grand Jury interviewed all the Departments that manage these CBOs to learn how the contracting process works and how contracts are managed following award.
How Contracts are Awarded

A Department will identify a service need, a funding source (County, state and/or federal), and prepare an RFP. The RFP is not a contract but sets forth the scope of work required to be performed and the terms and conditions of doing business with the Department so the vendor has clear expectations of the contract requirements. All RFPs are posted on the bid management system called BidSync. An example of the process that the Probation Department uses is shown in Figure 1.

Vendors are given a specific date by which they must submit a response to the RFP. Prior to receiving the responses, contract management forms a voluntary evaluation commission consisting of usually three to five members. Usually one or two are county employees familiar with the RFP process and the services which the vendors have promised to provide. The others may be experienced contractors with appropriate backgrounds in the services being proposed. An evaluation tool using a point system is used by each panel member to evaluate each RFP submitted. The scores are presented and discussed at the evaluation panel meeting with all members present. Once the evaluation committee makes its choice, the program managers review the recommendation and forward it up the signature authority chain-of-command to the Board of Supervisors (BOS).

Vendor selection is based on a competitive evaluation process, unless the selection is justified on the basis of sole source criteria. The use of sole source awards happens when only one contractor possessing the ability to fulfill the County’s needs is available. The current approval process includes the Department submitting the contract, the Office of Accounting and Budget, County Counsel, Director of Procurement, and the BOS. According to BOS policy:

The California Government Code provides for the employment of a County purchasing agent, who may then be authorized to execute contracts for goods, equipment, and services on behalf of the County. The County’s Director of Procurement serves as the County’s purchasing agent.

Among other authorizations, the Director of Procurement has the authority to execute contracts for services where the aggregate value of the contract does not exceed $100,000 per budget unit per fiscal year for each contract. This includes the authority to execute contracts for Professional and Non-Professional Services on behalf of all Agencies/Departments.4

4 Board Policy Manual, Section 5.3.5.2 Authority of Director of Procurement Department (Revised 03-16-12)
Figure 1: Procurement Process (Provided by Probation)

Type of Services

- Service type/requirements are unknown, need vendors to tell us what is available.

Solicitation Method & Dollar Limits

- Request for Information
  - No Dollar Amount

Advertisement Method

- Bidsync

How Vendor will be Selected

- Review by Program Manager/Specialist

NON-DIRECT SERVICES
(Consultants, Instructors, Licensed or Certified Vendors)

- Informal Competitive Process
  - $25,000 or less

- Informal Competitive Process
  - $25,001 to $100,000

- Request for Proposal
  - $100,001 and higher

DIRECTIONS
(Human Services; Counseling, Mentoring, Educational, or Treatment)

- Informal Competitive Process
  - $25,000 or less

- Request for Proposal
  - $25,001 to $100,000

- E-mail or Phone Calls OR Bidsync

- Bidsync

Selection Committee
- Written proposal
- Vendor Interviews only if needed to establish short list or if it would enhance vendor selection process.

- Review by Program Manager/Specialist

- Selection Committee
  - Written proposal and
  - Vendor Interviews

Approved by Delores Nnam on January 21, 2011.
S:\ADM\SVCS\ARJ\ART PACE Unit\Request for Proposal_Information_QuotationVendor Selection Process Flow Chart_Revised 012111.doc
Elsewhere in the BOS policy manual it states:

_The Board may also delegate authority by ordinance, Board resolution or other express Board action to County Agencies/Departments to enter into and amend certain contracts. Most of these delegations have an expiration date and further Board action is required to renew or modify contracts beyond the scope or maximum dollar authority of the original delegation._

_Unless otherwise provided, execution of contracts by Agencies/Departments under a specific delegation of authority from the Board is subject to approval by the Office of the County Executive and approval by the Office of the County Counsel as to form and legality…_.

_Agencies/Departments shall submit to the Finance and Government Operations Committee at the end of each fiscal year or as otherwise requested a report of all new or renewed contracts executed pursuant to delegated authority in the preceding year._

Although the BOS policy allows delegation of authority to the Director of Procurement or to the Agencies/Departments, the new policy has raised the delegation of authority from the Departments to Procurement for contracts less than $100,000. The County holds many contracts with CBOs that are of a low dollar, routine nature. However, these contracts must be approved using the process established for high dollar, more complex contracts. CBOs and departments interviewed indicated that a streamlined contract process would be welcomed for low dollar, simple scope contracts. The Grand Jury learned the Office of the County Executive is tasked by the BOS with establishing a process that reviews all County contracts. However, unless this process re-establishes departmental authority for contracts less than $100,000, the review could become a roadblock to expeditious processing of small dollar contracts, particularly with CBOs who have a proven track record of good service to the County.

**CBO Performance Measurement**

The Grand Jury concluded most all of the agencies interviewed have developed effective tools and criteria for measuring performance and outcomes of the CBOs. They reviewed the scope of work, expected outcomes, invoicing and auditing procedures, expense reimbursement procedures, record keeping and client files. Most agencies use the following to monitor and measure success:

- Client satisfaction surveys
- Monthly and quarterly performance reports
- Treatment plan outline

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5 Board Policy Manual, Section 5.3.5.3 Authority of Agencies/Departments (Revised 03-16-12)
6 Board Policy Manual, Section 5.5.5.2, Contract Review (Revised 03-16-12)
• Monitoring classroom activities
• Random client files/case reviews
• Internal peer reviews
• End-of-year program review
• Corrective action plans
• Invoice review and method of payments
• Annual audits.

Many CBOs use different methods for data collection, billing systems and evidence-based assessment tools. Some systems/tools used are Unicare, Tier, LodeStar, CalWin and INSZoom. These database systems can track program success. Some systems allow for case notes and can pull data reports to analyze for accountability, demographics, and ethnicity, quality, and quantity of work against contract goals. Many CBOs also use evidence-based assessment or practices tools, client satisfaction surveys, and routine site monitoring as well as internal peer audits.

Many federal and state funding sources, as well as Departments, require client satisfaction surveys as a way of measuring program success. Different fiscal years complicate when the surveys are due. Sometimes CBO clients can be overloaded with surveys. Some Departments use client conferences in lieu of written surveys. The counselor-client module is used as a way to discuss and resolve issues with clients.

The evaluation process is based upon the performance standards and criteria that are included in each county contract agreement. When a Department determines that a CBO is not meeting its contractual obligations, a corrective action plan is developed and implemented. All Departments use a contractor performance evaluation as a final report of the CBO’s performance. The evaluating Department rates the CBO using the following designations:

• Satisfactory—The CBO contractor is in overall compliance or the reviewer had minor suggestions for improvements

• Needs Follow Up—The reviewer noted deficiencies that have not been previously addressed by the Department

• Unsatisfactory—The CBO contractor has serious compliance issues that have not been corrected or are out of compliance with state or federal mandates or regulations.

This rating is included with the Department’s recommendation, which is then used as a basis for future contracting with the County.
Conclusions

The Grand Jury learned there is a robust process for awarding and managing CBO contracts, and agencies are following these processes with appropriate rigor. Good communication is evident between the agencies and the CBOs. However, some improvements are warranted in streamlining the approval process for small dollar contracts and in streamlining or consolidating the quantity of client surveys issued by the County.

Findings and Recommendations

Finding 1

Departments and CBOs have expressed a need for low-dollar contracts approval process.

Recommendation 1

The County should develop a review and approval process that outlines how low-dollar, simple scope contracts may be expeditiously approved.

Finding 2

The County issues numerous, often duplicated, client surveys required for reporting and monitoring CBO performance.

Recommendation 2

The County should initiate a cross-functional team, including representatives of the County agencies and CBOs, to evaluate ways to streamline or consolidate client surveys.
## Appendix A: Departments and CBOs Interviewed

<table>
<thead>
<tr>
<th>CBOs</th>
<th>COUNTY DEPARTMENTS</th>
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<tbody>
<tr>
<td></td>
<td>Alcohol &amp; Drugs</td>
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<td>Community Health Services</td>
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<td>District Attorney</td>
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<td>Dept of Correction</td>
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<td>Mental Health</td>
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<td>Probation</td>
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<td>Social Services Gen Fund</td>
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<td>Social Services PII</td>
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<td></td>
<td>Social Services Senior Nutrition</td>
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<tr>
<td>Parisi House on the Hill</td>
<td>✓</td>
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<tr>
<td>Solace Supportive Living</td>
<td>✓</td>
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<tr>
<td>Ali Baba (Riviera)</td>
<td>✓</td>
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<tr>
<td>Asian Americans for Community Involvement</td>
<td>✓ ✓ ✓ ✓</td>
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<tr>
<td>Bateman Senior Meals</td>
<td>✓</td>
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<tr>
<td>Bill Wilson Center</td>
<td>✓ ✓ ✓</td>
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<tr>
<td>Catholic Charities</td>
<td>✓ ✓ ✓ ✓</td>
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<tr>
<td>Center for Employment Training</td>
<td>✓</td>
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<tr>
<td>Community Solutions</td>
<td>✓</td>
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<tr>
<td>EMQ Families First</td>
<td>✓</td>
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<tr>
<td>Family and Children Services</td>
<td>✓ ✓ ✓</td>
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<tr>
<td>Inmate Support Services</td>
<td>✓</td>
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<tr>
<td>Gardner Family Care Corp.</td>
<td>✓ ✓ ✓</td>
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<tr>
<td>Horizon Services</td>
<td>✓</td>
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<tr>
<td>Momentum for Mental Health</td>
<td>✓</td>
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<tr>
<td>Pathway Society</td>
<td>✓</td>
</tr>
<tr>
<td>Planned Parenthood Mar Monte</td>
<td>✓</td>
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<tr>
<td>Sentencing Alternatives Program, Inc.</td>
<td>✓</td>
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<tr>
<td>Silicon Valley Independent Living Ctr</td>
<td>✓</td>
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<tr>
<td>Silicon Valley FACES</td>
<td>✓</td>
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</tbody>
</table>

7 Check mark indicates CBOs with which the Department has an active contract. All 20 CBOs were interviewed.
Appendix B: List of Documents Reviewed

CONTRACT DOCUMENTS

   a. Parisi House on the Hill, Inc.
   b. Solace Supportive Living, Inc.
   c. Asian Americans for Community Involvement, Inc.
   d. Family and Children Services
   e. Gardner Family Care Corporation
   f. Horizons Services, Inc.
   g. Pathway Society, Inc.

2. County of Santa Clara Ambulatory and Managed Care, Ambulatory and Community Health Services Agreements—Fiscal Year July 1, 2011 – June 30, 2012
   a. Asian Americans for Community Involvement, Inc.
   b. Gardner Family Health Network

   a. Silicon Valley FACES

4. County of Santa Clara Department of Corrections Agreement—Fiscal Years July 1, 2011 – June 30, 2013
   a. Friends Outside, Program Division of Catholic Charities of Santa Clara County
Appendix B: List of Documents Reviewed

**CONTRACT DOCUMENTS - continued**

5. County of Santa Clara Mental Health Services
   Agreements—Fiscal Years July 1, 2003 – June 30, 2012
   
   a. Ali Baba Corporation
   b. Asian Americans for Community Involvement, Inc.
   c. Bill Wilson Center
   d. Community Solutions
   e. EMQ Families First
   f. Catholic Charities of Santa Clara County
   g. Family and Children Services
   h. Gardner Family Care Corporation
   i. Momentum for Mental Health

6. County of Santa Clara Probation Department
   
   a. Sentencing Alternatives Programs, Inc.

7. County of Santa Clara Public Health Department—Agreements—Fiscal
   Years July 1, 2011 – June 30, 2014
   
   a. Bill Wilson Center
   b. Asian Americans for Community Involvement, Inc.
   c. Planned Parenthood Mar Monte

8. County of Santa Clara Social Services Agency
   Agreements—Fiscal Year July 1, 2011 – June 30, 2012
   
   a. Silicon Valley Independent Living Center
   b. Asian Americans for Community Involvement, Inc.
   c. Bill Wilson Center
   d. Catholic Charities of Santa Clara County
   e. Center for Employment Training
   f. Family and Children Services
   g. Gardner Family Health Network, Inc.
Appendix B: List of Documents Reviewed

**CONTRACT DOCUMENTS - continued**

9. **County of Santa Clara County Social Services –Senior Nutrition Program Agreements—Fiscal Year July 1, 2011 – June 30, 2012**
   a. Catholic Charities of Santa Clara County
   b. Asian Americans for Community Involvement, Inc.

**NON-CONTRACT DOCUMENTS**

1. County of Santa Clara Fiscal Year 2012 Recommended Budget, Executive Summary
2. County of Santa Clara, California, Policies on Contracting and Bidding, Adopted September, 1994, Revised 5-24-10
3. County of Santa Clara, California Office of the County Executive, *Contracting with the County* and Glossary: contract terms-phrases-provisions
4. 2009-2010 Civil Grand Jury Report: *Are County CBO Contracts Administered Properly?*
5. 2011-2012 Civil Grand Jury, Survey Responses from 20 CBOs  (See Chart)
6. Master Contracts from all Departments for 20 CBOs surveyed (See Chart)
9. CalWorks Transitional Housing Unit Checklist FY 2012
11. Department of Correction, Inmate Support Services Program Reporting Form 2011
12. Department of Human Resources, Corrective Action Plan for CET, developed April 12, 2010
13. Department Mental Health, Sample Mental Health Surveys: Adult Services, Youth Services, and Survey for Families, Fall 2011
Appendix B: List of Documents Reviewed

NON-CONTRACT DOCUMENTS - continued

15. Annual Report, from Momentum for Mental Health 2010
This report was **PASSED** and **ADOPTED** with a concurrence of at least 12 grand jurors on this 30\(^{\text{th}}\) day of May, 2012.

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Kathryn G. Janoff  
Foreperson

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Alfred P. Bicho  
Foreperson pro tem

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James T. Messano  
Secretary