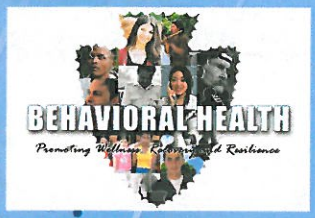
Department of Behavioral Health



Procurement Overview for Behavioral Health Commission

November 10, 2011

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What is a Procurement?

- Solicitation from community providers for specific needed services
- TYPES OF PROCUREMENT
  - RFP (Requests for Proposals)
  - RFQ (Requests for Qualifications) *aka Qualification Applications*
  - RFQ (Requests for Quotes)
  - RFI (Request for Information)

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Procurement Use Chart

Types of Procurement	Brief General Description	General Use in DBH
RFP (Requests for Proposals)	To solicit detailed proposals from providers on how they would perform a broad range of services for a specific program or program type **Most commonly used**	Generally, to develop contracts with selected providers to provide a specific service for a defined period of time and a set contract amount. Used for our most complex services with the most requirements/regulations and reporting conditions
RFQ (Requests for Qualifications) aka – Qualification Applications	To solicit the qualifications of a provider (generally used with an application process –where providers respond to a series of YES/NO and descriptive questions) to perform a service or set of services **Used occasionally**	Primarily to develop a vendor list when it is anticipated a number of service providers may be used. *May* result in a contract based on the responses received. *- PASS/FAIL No guarantee a provider will be used – or a contract received by those on the list-* Used for our less complex services with fewer requirements
RFQ (Request for Quotes)	To solicit a direct cost "bid" for a needed services **Rarely used**	Used primarily for low value and/or short term time limited services
RFI (Request for Information)	To solicit providers to describe the capabilities of services based on a broad definition **Rarely used**	Used primarily in the initial procurement of IT or research services when the program is not specifically or tightly defined and available services or capacities are unknown

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Request For Action

Process begins with RFA

- **Program notifies administrative staff of needed services.** Preparation is designed to meet the desired services start date.
- An informative RFA with as much information as possible includes funds available, target population, geographic areas, other priorities, numbers to be served & cost per client (if known)
- The Program should be clearly explained – what is the purpose & goals of the program; advises what DBH wants from proposers
- Scope of Work (Description of Services) should be complete for new programs and appropriately updated for current programs inclusive of changes (additions or deletions) from prior procurement.

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Team Effort

- The procurement process is a team effort of DBH program and administrative staff (fiscal/contract). The team works together to prepare, review and release a comprehensive document.
- An independent set of panelist are a separate team chosen to evaluate and review the submitted proposals.

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What does Program Staff Do in the process?

- At the Start…..
  - For new programs have a vision or mind set of the program
  - For on-going programs what are the changes that are needed
  - For on-going programs In the course of your normal review of services – ensure unsatisfactory performance is documented
- During the Process…..
  - Obtain Program Evaluators
  - Read, review and provide feedback for both procurement docs and developed contracts
  - Know and/or Determine Value of Program Components

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What does Administrative Staff Do in the process?

- Contracts Staff
  - Prepares the actual document
  - Notifies potential bidders
  - Conducts the bidders conferences
  - Accepts/reviews proposals for minimum requirements
- Fiscal Staff
  - Confirms available budget
  - Prepares budgets documents
  - Reviews fiscal stability and completes fiscal evaluation

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Proposal Evaluation

- **Evaluation** - Proposals meeting the stated requirements will also be evaluated on the basis of the following criteria and **specific programmatic criteria will be weighted** as indicated:
  - (60 % Program) (35% Fiscal)
  - (5 % Local Preference)

Common Program Components

- Demonstrated ability to serve target population.
- Proposed Program Services and Strategies.
- Demonstrated ability to serve the number of unduplicated participants indicated under Section IV, Paragraph C-2.
- Readiness to provide services.
- Experience.
- Staffing levels and qualifications.
- Appropriateness of facility (in Geographic Service Option/area; near mass transit; facility layout; etc.
- Demonstrated ability to serve specific geographic area

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Weighted (%) by Component

PROGRAM COMPONENTS (60% OF FINAL SCORE)	% weighted value
a. Demonstrate ability to serve target population.	%
b. Ability to provide required services as specified in the RFP.	%
c. Demonstrated ability to serve the number of unduplicated participants indicated.	%
d. Ability to provide specified services by contract start date.	%
e. Has experience in providing services described in RFP.	%
f. Meets staffing levels and requirements.	%
g. Appropriate facility location to proposed service area, availability of transportation, and facility layout.	%
h. Ability to provide required services in the specified geographic area.	%
Total Program Component	100%

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Below is a SAMPLE of the rating guidelines for the Program Component of the Evaluation. These ratings are assigned a value from five to one (5, 4, 3, 2, 1).

5	(90-100%)	• Full understanding of target population, program services and strategies. • Full explanation of capacity, readiness, experience, staffing and qualifications. • Optimal treatment facility appropriately located.
4	(80-90%)	• Broad understanding target population, program services and strategies. • Broad explanation of capacity, readiness, experience, staffing and qualifications. • Appropriate treatment facility appropriately located.
3	(70-79%)	• General understanding of target population, program services and strategies. • General explanation of capacity, readiness, experience, staffing and qualifications. • Adequate treatment facility appropriately located.
2	(60-69%)	• Limited understanding of target population, program services and strategies. • Limited explanation of capacity, readiness, experience, staffing and qualifications. • Proposed adequate treatment facility to be appropriately located.
1	(59% or less)	• Willingness and/or ability to learn to serve target population, program services and strategies. • Demonstrates willingness, not ability of capacity, readiness, experience, staffing and qualifications. • Does not have sufficient detail of appropriate plan of proposed facility.

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FINANCIAL COMPONENTS (35% OF FINAL SCORE)	% weighted value
(1) Cost per participant served – shows the effectiveness of the services being provided to ensure we are getting the most out of our service dollar. Will be rated based on desired average of the department.	30%
(2) Salary & Benefit to Cost ratio – shows how costs are going to be expensed, will show if the money will be spent on services being performed or if it will be in large overhead amounts. Will be rated based on desired average of the department.	20%
(3) Financial Statement Reliability – Shows the accuracy and reliability of the company's financial statements, whether they are independently audited, compiled, or unaudited.	12.5%
(4) Current Ratio – Liquidity ratio which measures company's ability to meet short term obligations, to ensure the company will be able to meet outstanding debts coming to maturity in the next 12 months. This will be compared to industry average.	12.5%
(5) Debt to Asset Ratio – Shows how much of the company's assets are financed through debt and will show the long term stability of the company. This will be compared to industry average.	12.5%
(6) Quick Ratio (Acid Test) – Shows the company's short team liquidity, this measures the company's ability short term obligations with liquid assets in case of immediate need. This will be compared to industry average.	12.5%
Total Fiscal Component	100.00%

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FINANCIAL COMPONENTS
• Cost per participant served – A standard range of cost per participant will be determined by DBH using past programs and fiscal data. Depending on where your cost per participant falls within that range, you will receive a score of 1-7.
• Salary & Benefit to Cost ratio – A standard range of Salary & Benefit to cost ration will be determined by DBH using past program and fiscal data. Depending on where your cost per participant falls within that range, you will receive a score of 1-7
• Financial Statement Reliability – You will earn points based on how accurate and reliable your financial statements are. If you have independently audited financial statements with an unqualified opinion you will receive the full 7 points. As your financial data's accuracy and reliability goes down, for example, audited with a qualified opinion or audit exceptions, unaudited financial statements, compiled statements, accounting software printouts, or simple excel sheets, your rating will go down in this category
• Current Ratio – An industry benchmark range of Current Ratio will be obtained and depending on where your cost per participant falls within that range, you will receive a score of 1-7.
• Debt to Asset Ratio – An industry benchmark range of Debt to Asset Ratio will be obtained and depending on where your cost per participant falls within that range, you will receive a score of 1-7.
• Quick Ratio (Acid Test) – An industry benchmark range of Quick Ratio will be obtained and depending on where your cost per participant falls within that range, you will receive a score of 1-7.

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What happens Next ?

- Award Recommendations
  - Proposers are recommended to receive funding or denied funding based on the final scores and program/service needs
  - Executive Team approves recommendations
  - Notices mailed for negotiations
- Not Awarded
  - Opportunity to protest based on specific criteria/violations
  - Request for Public Records of scores awarded proposals available

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Qualifications Application Evaluation

- **Standard Review Criteria**
  - Applications must be complete and meet minimum requirements as detailed in the procurement
  - Other factors evaluated include experience, qualifications of personnel and ability to meet the needs of the consumer
- **FAIL**
  - Opportunity to protest based on specific criteria/violations
- **PASS**
  - Those applicants passing the standard review criteria are eligible to be placed on the vendor list and ***may*** receive an agreement for services. A contract for services is NOT guaranteed. Contract Award is based on application (s) that BEST meets the service need.

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New Service Contracts

- Staff works with service providers to finalize contracts inclusive of final budgets and scopes of work.
- New Contracts approved by the Board of Supervisors.
- Programs provides any needed technical assistance throughout he process.
- Valuable and needed services are provided to County residents.

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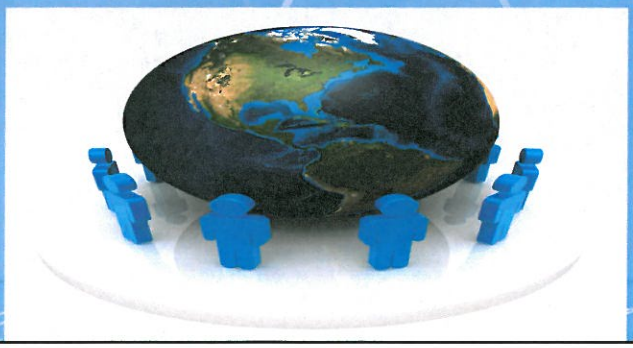
Go Team! DBH Family and Family of Services Expands



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