

RESOURCE DEVELOPMENT POLICY

From time to time, and as permitted by DDS and state law, SG/PRC may use Purchase of Services (POS) funds for developing new community resources to protect the clients' health or safety or because of other extraordinary circumstances, and the State through the Department of Developmental Services has granted prior written authorization for the expenditure.

In addition, SG/PRC may use Purchase of Service funds for developing new community resources to implement the Community Placement Plan, which has been approved by the Department. This may include grants for reasonable start-up costs associated the development of specialized residential facilities with modifications to accommodate residents who are considered nonambulatory.

SG/PRC offers start-up grants through a Request for Proposal (RFP) process. Start-up grants of \$100,000.00 or more are awarded through the RFP process.

The Request for Proposal (RFP) Process.

First, SG/PRC identifies a pool of potential providers from vendors who are offering the same or similar services and those who have asked to be added to our RFP notification list. SG/PRC also sends notices of the RFP to other regional centers for distribution. The announcement of a given RFP is posted on our Internet website.

SG/PRC hosts an "Applicants' Conference" to which all interested parties are welcomed to hear more about the project and its intended outcomes, along with the RFP process. The date and time of the Applicants' Conference is included in the RFP posting on our Internet website. Participation in the Applicants' Conference is encouraged but not required to respond to the RFP.

Next, applicants submit written proposals following established writing guidelines for the requested service to be developed. The writing guidelines are discussed at the Applicants' Conference and are made available to all interested parties, either electronically or in hard-copy format. In following the guidelines, the applicants address the qualifications of the applicant, a description of the intended service (which serves as the basis of the program/service design for ongoing services), a budget detailing the intended expenditures to cover start-up costs, and a budget detailing on-going costs (which serves as the proposal for the negotiated rate).

Written proposals are evaluated by a team of reviewers, including case management staff who will be involved with the clients receiving the service once the development phase is completed, resource developer assigned to the project, Quality Assurance staff who will be assigned to the service once it is operational. Depending on the type of service to be developed, representatives from other agencies, such as Department of Children and Family Services (DCFS) and Area Board 10, and vendors who offer similar services but are not responding to the RFP, may serve as members of the review team.

SG/PRC's review team uses a pre-established scoring system which is made available to the applicants, as the point values assigned to each part of the proposal are included in the writing guidelines. The review team determines the applicants that best meet the expectations indicated in the RFP. Incomplete or late applications are not considered. SG/PRC reserves the right to not award the grant if there is no qualified applicant responding to the RFP.

The top scoring two or three candidates are selected for a face-to-face interview using pre-determined interview questions. At a minimum, there are three interviewers who were members of the proposal review team, one of whom serves as the facilitator for the interview. Interviewer impressions are recorded during or immediately after the interview. If there appears to be only one qualified applicant from the review of the written proposal, SG/PRC still interviews to assure that the applicant has personal knowledge of the contents of the proposal and can clarify and/or respond to any questions related to the proposal or qualifications of the applicant.

SG/PRC maintains the RFP proposal and the composite scoring forms for each applicant for a period of five years.

Contracts for Start-up Funds.

Once an applicant is selected, the applicant (now referred to as the Contractor) enters into a contract with SG/PRC, as described in Title 17 Sections 50607 *et seq.*, for reasonable start-up costs associated with the specified resource development. This contract is also referred to as a Start-Up Agreement. The RFP proposal submitted by the applicant is made part of the contract.

Expenditure of POS funds for start-up activities must meet the following criteria:

- 1) Necessary for establishing a new or additional program, project or resource to provide services and supports to clients of SG/PRC;
- 2) Directly benefit clients of SG/PRC;
- 3) Supported by contracts with sufficient detail, measurable performance expectations and results;
- 4) Used for meeting health and life/safety requirements and/or client specific needs and not used for routine maintenance of a provider's plant or facility;
- 5) May be used for the lease of a vehicle dedicated to transporting clients, but not for the purchase, lease or maintenance of a vehicle for the provider's personal use;
- 6) Only used for construction, renovation, alteration, improvement or repair of real property that is of direct medical or remedial benefit to clients of SG/PRC;
- 7) May only be used for reasonable costs associated with resource development.

The contract includes provisions for the termination of the contract and for the fair and equitable recoupment of start-up funds, should the Contractor fail to meet the start-up

expectations or milestones specified in the start-up contract or if the Contractor ceases to provide services to clients prior to the number of years specified in the start-up contract. Prior to the conclusion of the start-up activities, SG/PRC requires the Contractor to agree to the provision of ongoing services for a specified number of years through a Service Agreement.

The contract is monitored by a resource developer, the resource developer's supervisor, and by the fiscal accounting staff of SG/PRC. If the start-up grant is for development of the Community Placement Plan (CPP), then the expenditures are also tracked by the CPP coordinator. Records are maintained to document the use of these funds for a minimum period of five years from the date of last disbursement.

General Resource Development Guidelines.

In addition, SG/PRC provides oversight to resource development in its service area by potential providers, whether or not there are start-up grant funds associated with that development. There are several guidelines that have been put into practice that were initially part of the Board-adopted Performance Contract provisions, also approved by the State Department of Developmental Services (DDS).

First, SG/PRC requires that a licensee of any program or facility licensed by the Department of Social Services-Community Care Licensing Division (DSS-CCLD) must qualify to serve as the administrator of the program or facility for which he/she is licensee. SG/PRC will not vendor a licensed program or facility unless there is documented evidence that the licensee indicated on a given license meets the administrator criteria. When a corporation is the licensee, SG/PRC will require that a minimum of two members of the Board of Directors of that Corporation qualify as administrators of the licensed program or facility as a condition of vendorization.

Secondly, SG/PRC exercises its authority as specified in the Lanterman Act, Welfare and Institutions Code 4648 (a)(3)(D), to limit the vendored capacity of any licensed program or facility:

SG/PRC is committed to reducing the capacity of larger residential facilities to a maximum of 15 residents, especially when there is a change in ownership, licensee, or type of license.

SG/PRC limits new residential facilities licensed and funded by the Department of Health Services to a maximum of six residents.

Specifically for residential facilities licensed by the Department of Social Services – Community Care Licensing Division and funded through the Alternative Residential Model (ARM), SG/PRC limits the capacity of ARM Service Level 2 through Level 4C facilities to a maximum of six residents.

For ARM Service Levels 4D through 4I, SG/PRC limits the vendored capacity to a maximum of four residents. Only when a provider has met all of the criteria specified in the Board Resolution adopted October 2009 (*Capacity Increase Conditions for Level 4D – 4I Homes*), may an ARM residential services provider serve as many as five residents.

Adult Residential Facilities for Persons with Special Health Care Needs (ARFPSHN) licensed by the Department of Social Service -- Community Care Licensing Division are limited to a maximum of five residents.

For specialized residential facilities with negotiated rates, depending on the service needs of the residents to be served, such as behaviorally challenged adolescents, SG/PRC may also exercise its authority to limit the vendored capacity to three or two residents.

Acquisition of Real Property.

SG/PRC allows for the use of POS start-up funds to be used for the purchase of real property only when the property is to be purchased by SG/PRC's approved nonprofit housing corporation for the exclusive benefit of SG/PRC clients. Such property purchase must follow the CPP housing guidelines approved by DDS. SG/PRC does not release an RFP each time that funds are allocated for the acquisition of property, as approval of the nonprofit housing corporation is contingent on a different set of expectations, as set forth by DDS.

Board Approved: January 26, 2005
Board Revised: December 2010