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July 28, 2008

TO: Each Supervisor

FROM: Philip L. Browning
Department of Public Social Services

Richard Sanchez
Acting Chief Information Officer

SUBJECT: SEMI-ANNUAL STATUS REPORT ON THE LEADER REPLACEMENT SYSTEM (BOARD ORDER #36 – JANUARY 30, 2007)

This is to provide your Board with the third semi-annual status report on the LEADER Replacement System (LRS). In our last status report, we advised your Board of major LRS procurement activities, including: (i) Request for Proposals (RFP) release to the vendor community on November 30, 2007, (ii) Proposers' Conference on December 17, 2007, (iii) recruitment of Evaluation Committee members, and (iv) Department of Public Social Services (DPSS) and Chief Information Office (CIO) collaboration with State oversight to effectively procure an LRS vendor. The following major LRS activities have taken place since our last semi-annual status report.

PROPOSAL EVALUATION

The goal of the LRS procurement is to select a vendor that best meets the needs of DPSS and other County departments. To ensure a comprehensive, fair, and impartial LRS vendor selection, an evaluation manual was developed by DPSS in conjunction with CIO, Auditor-Controller (A-C), County Counsel, outside counsel, and California State's Office of Systems Integration (OSI) to clearly define the evaluation process and evaluation criteria.

Committee Composition

On March 3, 2008, DPSS convened the LRS Evaluation Committee. The LRS Evaluation Committee is comprised of representatives from County stakeholders; DPSS, CIO, A-C, Department of Children and Family Services (DCFS), Internal Service Department (ISD), and Information Systems Commission (ISC); and other California consortia (C-IV/Merced County and CalWIN/Orange County).

Committee Objective
The objective of the Committee is to conduct a thorough review of the proposals in order to identify and recommend the vendor whose proposal is most advantageous to the County and provides the best value to the County and stakeholders.

Committee Training
To assist the Committee in preparing for the task at hand, DPSS conducted training sessions that included a page-by-page review of the LRS RFP, as well as workshops on consensus building techniques, which included mock proposal evaluations.

Subject Matter Experts
To assist in the evaluation process, subject matter experts will be available to the Committee for consulting on questions, issues, and information needs that may arise. These experts will be "on-call" for consultation; however, they will not be members of the Committee and will not participate in the evaluation scoring discussions.

Evaluation Progress
- DPSS received four (4) proposals by May 15, 2008, and the Evaluation Committee began evaluating the proposals on May 19, 2008.
- Due to the size of the proposals, as well as their highly-complex technical nature, the review process is expected to last through December 2008 to ensure that evaluation of the proposals is conducted with the highest regard for thoroughness, fairness, and impartiality.
- As of this report, the Committee continues to conduct individual assessments of proposals, including detailed documentation of independent findings in preparation for the upcoming consensus process.

KEY ADDENDA TO THE RFP

- In January 2008, DPSS received over 300 questions from the vendor community in response to the LRS RFP. The volume and diverse nature of the questions received confirmed the high level of interest for the LRS. In February 2008, DPSS prepared and released addenda to the LRS RFP to address the vendor questions and further clarify certain sections of the RFP.
- As directed by the Administration for Children and Families (ACF), OSI instructed the County to amend the LRS RFP to provide the County with the option to have the LRS exclude functionality related to Title IV-E programs; Foster Care Programs, Kinship Guardianship Assistance Payment Program (Kin-GAP), and Adoption Assistance Program (AAP). In April 2008, an addendum to the LRS RFP was released to the vendor community to exclude Title IV-E Programs functionality from LRS at the County's option. This, in turn, extended the proposal submission deadline from March 31, 2008 to May 15, 2008.
- In June 2008, an addendum was released to extend the effective period of the LRS offers (bids) through March 2, 2010, beyond the projected date of contract initiation to mitigate the risk of delays in the County, State, or federal approval process.

STATE OVERSIGHT

DPSS and CIO have continued to work closely with the State to bring an LRS vendor aboard as quickly as possible. Representatives from DPSS and CIO continue to participate in weekly conference calls with State representatives (OSI) to ensure that the LRS is implemented within the established guidelines, timeframes, and budget, and that the appropriate level of resources are allocated to the project. These discussions continue to be extremely helpful in maintaining open lines of communication between the County and State, as well as facilitating effective issues resolution and alignment of County and State objectives and direction.

PROJECT FUNDING

The LRS Project Team is working closely with the State's OSI to secure future funding for the LRS. An Implementation Advance Planning Document (IAPD), a funding document, is being prepared under the guidance of State agencies to include the anticipated cost of LRS design, development, implementation, maintenance, and operations, in the Governor's budget. Any cost changes will be requested in the State's May-revise budget process. State and federal agencies are fully aware and supportive of the LRS project scope and schedule.

ACHIEVED MILESTONES

- **Proposer's Conference – December 17, 2007**
  This conference provided the vendors with an overview of the RFP scope and submission process. Eighty-one (81) individuals representing twenty-four (24) vendors attended the conference.
- **Technical Presentation – December 18, 2007**
  This presentation provided the vendors with a technical overview of the LEADER, GEARS, GROW, and DCFS systems.
- **District Office Walkthroughs – December 18 and 19, 2007**
  These walkthroughs provided the vendors with an opportunity to observe DPSS' business processes, including call center and line operations, and the application of existing systems to support the administration of public assistance programs and the delivery of services to the public.
- **Proposal Submission – May 15, 2008**
  DPSS received four LRS proposals with an average size of roughly 4,000 pages in length. State and County stakeholders are very pleased with the level of competition for this critical procurement.
- **Proposal Evaluation Commencement – May 19, 2008**
  Evaluation Committee members began screening and evaluating the four LRS proposals.

UPCOMING MILESTONES

- **Screening and Individual Assessment of Proposals – July 31, 2008**
  Committee members will complete reference checks, screening of business proposal sections, and independent reviews of the management and technical proposal sections.
- **Consensus Assessment – October 2, 2008**
  Subcommittees will complete consensus assessments of the management and technical proposal sections.

- **Oral Presentations by Proposals – October 15, 2008**
  Oral presentations of business, management, and technical solutions will be completed by proposers.
- **Finalize Consensus Scores – October 30, 2008**
  Committee will finalize scoring of the management and technical proposal sections.
- **Price Evaluation and Final Composite Score – November 13, 2008**
  Price evaluators, including A-C, will review price proposals, including identifying any omissions or irregularities in the pricing schedules submitted by proposers.
- **Selection Report – December 22, 2008**
  LRS vendor selection report will be drafted and submitted to State and County Board.
- **Notification of Vendor Selection (Intent to Award) – January 9, 2009**
  All proposers will be notified of the LRS vendor selection.

HIGH-LEVEL SCHEDULE

Tasks	Begin Date	End Date
LRS Proposal Evaluation and Vendor Selection	May 2008	Dec 2008
Negotiate with Selected LRS Vendor	Jan 2009	Jun 2009
County, State & Federal Approvals	Jun 2009	Dec 2009
LRS Design, Development, and Implementation	Dec 2009	Dec 2013
Shutdown of Existing LEADER and GEARS Systems and Termination of Respective Contracts	Dec 2013	Dec 2013
Maintenance and Operations, Including 6-Month Performance Verification	Dec 2013	Dec 2020
Option Years for Maintenance and Operations	Dec 2020	Dec 2023

Pursuant to your Board's motion on July 15, 2008, directing the Chief Executive Office (CEO) to work in concert with the Director of DPSS to provide quarterly status reports, via Board memo, updating your Board on the progress of the LEADER Replacement System, we will provide your Board with the first LRS quarterly status report in October 2008.

PLB:RS:MS
SB:VO:os

c: Chief Executive Officer
Deputy Chief Executive Officer
Auditor-Controller
County Counsel
Executive Officer, Board of Supervisors
Internal Services Department
Chair, Information Systems Commission