



July 3, 2018

The Honorable Board of Supervisors  
Administration Building  
1221 Oak Street  
Oakland, CA 94612

Dear Board Members:

**SUBJECT: APPROVE CONTRACTS FOR FISCAL YEAR 2019 FOR SUBSTANCE USE DISORDER ORGANIZED DELIVERY SYSTEM SERVICES TO COVER NEEDED CAPACITY NOT MET BY REQUEST FOR PROPOSALS**

**RECOMMENDATIONS**

- A. Approve master contract amendments with the following five community-based organizations to provide Substance Use Disorder services for the period 7/1/18 – 6/30/19, in the amount of \$4,986,948:
1. City of Fremont (Principal: Fred Diaz, City Manager; Location: Fremont, CA; Master Contract No. 900111; Procurement Contract No. 16776) to provide outpatient, intensive outpatient and recovery services for adolescents in South County in the amount of \$438,872; increasing the procurement contract from \$0 to \$438,872 (\$438,872 increase);
  2. Carnales Unidos Reformando Adictos Incorporate (Principal: Joseph Locaria, Executive Director; Location: Fremont, CA; Master Contract No. 900083; Procurement Contract No. 16768) to provide additional adult residential SUD services for the County in the amount of \$652,092; increasing the procurement contract from \$2,252,229 to \$2,904,321 (\$652,092 increase);
  3. Horizon Services, Incorporated (Principal: Mark Cloutier, Executive Director; Location: Hayward, CA; Master Contract No. 900090; Procurement No. 16967) to provide outpatient, intensive outpatient and recovery services for adults in East County in the amount of \$690,081 and for adolescents in Central County in the amount of \$829,098; increasing the procurement contract from \$0 to \$1,519,179 (\$1,519,179 increase);
  4. Southern Alameda County Comite for Raza Mental Health, dba La Familia Counseling Service (Principal: Aaron Ortiz, Executive Director; Location: Hayward, CA; Master Contract No. 900135; Procurement Contract No. 16772) to provide county-wide adult residential services in the amount of \$1,049,618; increasing the procurement contract from \$2,814,489 to \$3,864,107 (\$1,049,618 increase);
  5. Magnolia Women's Recovery Programs, Inc. (Principal: Dr. Linda Stewart, Executive Director; Location: Oakland, CA; Master Contract No. 900094; Procurement Contract No. 16771) to provide county-wide adult perinatal and parenting residential services in the amount of \$1,327,187; increasing the procurement contract from \$0 to \$1,327,187 (\$1,327,187 increase);

- B. Delegate authority to the Director of Health Care Services Agency or designee to execute the attached procurement contract exhibits on your behalf; and
- C. Authorize the Auditor-Controller to increase appropriations with offsetting revenues as shown in the attached Financial Recommendation.

### **DISCUSSION/SUMMARY**

Behavioral Health Care Services (BHCS) contracts with community based organizations to provide an array of services to support clients facing addiction to alcohol and other drugs. Many of these services are substantially changing due to the new system of care, geographic network adequacy, and treatment standards required under the 1115 federal waiver of Title 19 of the Social Security Act. The waiver is administered by the California Department of Health Care Services (DHCS) and allows counties to participate in the establishment of a Drug Medi-Cal Organized Delivery System (DMC-ODS). Your Board approved Alameda County's plan for participation in the waiver on January 23, 2018.

Due to the substantive changes required for many substance use services, BHCS released Request for Proposals (RFP) No. 18-01 for the provision of substance use disorder (SUD) treatment and recovery residence services for adolescents, adults, and older adults who are residents of Alameda County. The RFP included 18 separate competitive processes for different types of service, to different populations, in specific geographic areas of the County. Upon review of submitted proposals, BHCS was not able to procure the services needed to demonstrate network adequacy through qualified bids received.

The recommendations contained in this letter address services that were not obtained through RFP 18-01 due to either a lack of qualified bids, or bids that were submitted did not cover the entire capacity required. Upon approval from your Board on May 8, 2018 (Item No. 4), BHCS negotiated contracts for additional capacity. These new programs and services are essential to ensuring compliance with network and geographic adequacy standards and supplying a sufficient number of residential beds to meet anticipated demand. BHCS is recommending contract awards with five providers that have had longstanding relationships with BHCS for similar types of SUD services: Carnales Unidos Reformando Adictos Incorporate (CURA) is recommended for additional adult residential beds; the City of Fremont is recommended for outpatient treatment, intensive outpatient treatment (IOT), and recovery support services for adolescents in South County; Horizon Services, Inc. (Horizon) is recommended for outpatient treatment, IOT and recovery support services for adults in East County and adolescents in Central County; Southern Alameda County Comite for Raza Mental Health, dba La Familia Counseling Service (La Familia) is recommended for adult residential beds; and Magnolia Women's Recovery Programs, Inc. (Magnolia) is recommended for adult perinatal and parenting residential beds.

Your Board's approval of these recommendations will ensure adequate and more comprehensive services to clients under the waiver and will lead to increased federal revenue through Drug Med-Cal (DMC).

### **SELECTION CRITERIA**

*BHCS released RFP No. 18-01 on Thursday February 8, 2018 for the provision of SUD treatment and recovery residence services to adolescents, adults, and older adults who are residents of Alameda County. Under this RFP, 18 separate competitive bidding processes were administered for Outpatient Treatment, IOT, and Recovery Support services; Residential services; and Recovery Residence services. The RFP was advertised using the General Service Agency (GSA) advertising guideline by posting on the BHCS and GSA websites. In addition, a*

*courtesy email was sent to BHCS' contracted providers and other BHCS contacts via existing email distribution lists. BHCS held two Bidders' Conferences on February 15 in Oakland and February 16 in Hayward with representation from twenty agencies. No bid protests were received in relation to this RFP. The subsections below describe the programs that BHCS is requesting to move forward with in relation to several of the specific competitive bidding processes under this RFP where no qualified bids were received or where BHCS was not able to procure the services needed to demonstrate network adequacy through qualified bids received. Please note that BHCS anticipates returning to Your Board at a later date for several of the RFP categories for which negotiations are still in process for the incoming programs.*

*All of the providers listed in this Board Letter are exempt from the County Small Local and Emerging Business (SLEB) provisions due to their status as non-profit community-based organizations or public entities. However, CURA (No. 06-90957, Expires: January 31, 2020), La Familia (No. 12-00152, Expires January 31, 2019) and Magnolia (No. 13-00009, Expires: December 31, 2018) have elected to become a SLEB-certified providers.*

**Adult-9**

*For the competitive bidding process for Adult Outpatient Treatment, IOT, and Recovery Support Services in the East County zip codes of 94551 and 94550, no bids were received. The current SUD Outpatient Provider in this area, Axis Community Health, did not want to contract for the new program in East County under DMC-ODS. BHCS selected Horizon, the contractor that currently operates the Cherry Hill Sobering Station and Residential Detoxification Services for adults, as well as an Adolescent Outpatient Program to provide the Adult Outpatient Treatment, IOT, and Recovery Support Services in the East County.*

**Adolescent-2**

*For the competitive bidding process for Adolescent Outpatient Treatment, IOT, and Recovery Support Services in Central County (Hayward), no bids were received. Horizon was selected because it is the current provider of services in this area and meets DMC Certification Requirements.*

**Adolescent-3**

*For the competitive bidding process for Adolescent Outpatient Treatment, IOT, and Recovery Support Services in Southern Alameda County (Newark and Fremont) no qualified bids were received. BHCS received one bid which was disqualified as the bidder did not meet minimum qualifications at the time of bid submission.*

*The table below summarizes the results of this competitive bidding process.*

<b>Bidder</b>	<b>Certified, Small, Local or Emerging</b>	<b>Score</b>
City of Fremont	Disqualified – not reviewed by panel	

*The City of Fremont was selected to take on this program because they are the current provider of these services in this area and were disqualified during the RFP due to lack of DMC certification. DMC certification is in process and BHCS recommends moving forward with the contract to ensure no disruption in services.*

**Adult Residential Services**

*For the competitive bidding process for Adult Residential Services, an evaluation panel consisting of four subject matter experts from BHCS, a retiree/former administrator of mental health services, and an independent consultant was conducted on Thursday, May 3. BHCS received three bids for services to procure 108 beds Countywide, however one of the bids was disqualified as it did not meet minimum qualifications at the time of bid submission. The evaluation panel determined that oral interviews were not needed for this evaluation*

process. Bidders were notified via email and certified mail of the Evaluation Panel’s recommendation on May 21, 2018.

The table below summarizes the results of this competitive bidding process and the Evaluation Panel’s recommendations for contract award.

Bidder	Certified, Small, Local or Emerging	Number of beds to be purchased	Score
<b>CURA</b>	<b>Yes</b>	<b>30 beds</b>	<b>282</b>
La Familia	Disqualified – not reviewed by Evaluation Panel		
<b>New Bridge Foundation, Inc.</b>	<b>Yes</b>	<b>14 beds</b>	<b>340</b>

BHCS did not receive bids to cover the capacity for adult residential beds through the RFP process. Consequently, BHCS worked with the above providers and another provider of adult residential services to reach the desired capacity for adult beds under the DMC-ODS waiver. CURA agreed to increase the beds in their BHCS contract from 30 to 40. The contract with New Bridge Foundation, Inc. is still under negotiation with BHCS at this time. La Familia agreed to provide 17 additional beds to BHCS pending confirmation of final DMC Certification Requirements.

Perinatal Residential Services

For Countywide Perinatal Residential Services, an evaluation panel consisting of four subject matter experts from BHCS, Public Health, and Social Services Agency was conducted on Monday April 30. BHCS received two bids for Perinatal Residential Services to procure 38 beds County wide, however one of the bids was disqualified for not meeting minimum qualifications at the time of bid submission. An oral interview was conducted on Wednesday, May 2 as part of the evaluation process. Bidders were notified via email and certified mail of the Evaluation Panel’s recommendation on May 21, 2018.

The table below summarizes the results of this competitive bidding process and the Evaluation Panel’s recommendations for contract award.

Bidder	Certified, Small, Local or Emerging	Number of beds to be purchased	Score
<b>East Bay Community Recovery Project (EBCRP)</b>	<b>No</b>	<b>12 beds</b>	<b>417</b>
Magnolia	Disqualified – not reviewed by the Evaluation Panel		

Due to the shortage of Perinatal and Parenting Residential Beds recommended for award through the RFP process in comparison to the beds solicited through the RFP process, BHCS selected Magnolia to provide additional capacity for 16 perinatal and parenting beds pending confirmation of final DMC certification requirements.

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**FINANCING**

Funding for these contracts include Drug Medi-Cal, Substance Abuse Block Grant, 2011 Realignment, Measure A and County General Funds already included in the BHCS budget. Additional funding is provided by 2011 Realignment and Drug Medi-Cal per the attached Financial Recommendation. Financing for services to AB 109 eligible clients will be funded through Public Safety Realignment. Once final agreements between the County Agencies on the distribution of the Public Safety Realignment Funds have been made, BHCS will return to the Board with any necessary appropriation or revenue estimate changes. There is no increase in net County cost.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Colleen', is positioned above the typed name.

Colleen Chawla, Director  
Alameda County Health Care Services Agency

CC:FB/am/sj