

## ATTACHMENT A

### DISCUSSION OF ADULT DAY REPORTING CENTERS AND RFP PROCESS

#### **Background**

The Adult Day Reporting Center (DRC) was established in Monterey County in 2009 through a federal grant from the US Department of Justice to implement a Day Reporting Center for adult offenders.

With the need to identify a service provider within the tight deadlines of the grant, Probation followed County protocol notifying the Board of Supervisors of the imminent application date deadlines, provided the project strategy plan and followed grant application compliance with the Federal grantor by obtaining the grantor's approval under sole source governance for the award. Additionally supporting the governance determination, Probation performed due diligence by connecting with other jurisdictions with either established DRCs or who were in the process of awarding a contract. At that time, Behavioral Interventions, Inc. ("B.I.") emerged as the only vendor who could offer a proven comprehensive program nationally, and most recently, in California. B.I. was the only responder to a competitive process (RFI) released by Napa County six months prior, and was awarded the contract. Accordingly, Probation recommended, and the Board approved, B.I. as the initial provider of DRC services under the grant.

With the end of the grant and the implementation of AB 109 Public Safety Realignment (PSR), DRC services were continued with AB 109 funding.

DRC services are delivered through a contract prepared by PSR's lead agency (Probation), recommended by the Community Corrections Partnership (CCP) and with final approval by the Board of Supervisors (BOS). At the time of the original contract, B.I. was not associated with The GEO Group but it was acquired in 2011 and is now a wholly owned subsidiary of The GEO Group, Inc. Reentry services, such as DRCs, are provided by GEO Reentry Services, LLC; the entity now known as "B.I." provides other services in The GEO Group.

The DRC model delivers evidence-based services and provides long-term cost benefits to the criminal justice system and to the community. The DRC serves adult offenders supervised by the Probation Department, as well as some State parolees that meet established criteria. The target population is moderate/high-risk offenders who would benefit from treatment and supervision in a setting that is more structured than ordinary probation, but less restrictive and less expensive than incarceration.

The DRC offers cognitive behavior counseling, treatment, life skill classes and job training to eligible participants. The center is open seven days a week and currently serves about 80 clients on a daily basis.

The DRC opened its doors at the current location at 427 Pajaro Street in Salinas in December 2009 and has been operating in partnership with Probation to provide services to adult clients

referred by Probation. Although part of the original plan in the grant application, State Parole was not able to participate in the program by referring (and funding) parolees until April 2014.

## **Funding**

The 2009 federal grant originally funded the DRC through January 2012, to provide services to a minimum of 51 clients per day. With the implementation of AB 109 in October 2011, which specifically identified day reporting as an evidence-based intermediate sanction, services continued with the support of Public Safety Realignment (PSR) funding. Additionally, the California Department of Corrections and Rehabilitation (CDCR) entered a contract with the County to provide funding to support services daily for up to 30 parolees.

## **The RFP Process for the Proposed Contract**

Due to the size of the contract (almost \$1 million annually, including CDCR's share), the CCP and the BOS requested Probation to establish an RFP to select a vendor based on a competitive process. The process was initiated shortly after the BOS request in late July 2014, upon the approval of an extension to the B.I. contract.

The County's RFP process in general can take several months from the time a department produces a first draft of a scope of services, through consultation, review and facilitation by Contracts/Purchasing and other stakeholders, through issuance of the RFP, review of proposals, and allowance for potential protests, to the tentative award and negotiation of the proposed contract. Upon selection of the tentative vendors, contracts typically cover a three year period, with the possibility of two one-year extensions. Because of the relative novelty and complexity of the DRC program (e.g., multiple funding sources and state and federal requirements) the County's RFP process in this instance turned out to be very lengthy and resource-intensive, and was a significant burden on departmental resources. The process for this RFP began in July, 2014, continued through February, 2015 for identification of the tentative awardee, and essentially ended in May, 2015, with the finalization of the proposed contract and review and recommendation by the CCP.

As the requesting department, Probation scrupulously followed the established RFP process in collaboration with and under the guidance of Contracts/ Purchasing. The RFP (#10504) was published on October 9, 2014 and a total of four proposals were received by Purchasing by the close of this part of the process, in November. Of those four, one was deemed unresponsive, so the RFP Review Panel evaluated the remaining three.

The Review Panel included three Subject Matter Experts (SME) in the areas of community corrections and the delivery of evidence-based practices: (1) a representative from Behavioral Health (expert in treatment and rehabilitation); (2) a representative from Probation (expert in probation supervision and rehabilitation); and (3) a representative from the CDCR's Parole Division (expert in parole supervision and rehabilitation).

Each proposal was also reviewed by a fiscal analyst for: length of time operating a DRC and number of DRCs in operation; fiscal solvency analysis; and program ratios and cost factors, with a review of audited financial statements.

After review and scoring of the proposals, the SMEs held interviews with the two top scoring finalists, under the observation of a member of Contracts/Purchasing, to ensure that established procedures were being followed. Narratives of the results of the interviews were prepared by each member of the panel. Reference checks were also conducted.

All the RFP-related documentation was then forwarded to Purchasing, together with the recommended vendor, and the criteria for the selection.

An update to the DRC RFP process was provided by the Contracts/Purchasing Officer to the CCP at its meeting of February 9, 2015.

On March 12, 2015, the Chief Probation Officer advised the CCP members via letter that B.I./GEO Reentry Services had been tentatively selected to provide DRC services in Monterey County. The letter also indicated that concerns previously expressed, in terms of cost for actual utilization, management communication and continuity would be addressed in the terms and language of the contract.

At the following CCP meeting on May 11, 2015, the CCP recommended, by a vote of 5 to 1, that the 3-year contract with GEO Reentry Services, LLC be submitted to the BOS for final approval.

The contract was agendized for BOS approval on June 9, 2015, but at the request of a Supervisor, the matter was continued to June 23.

### **Identification of Concerns and Responses**

Although it should be noted that none of the responsive bidders raised any complaint or protest to the RFP process or selection, certain concerns have been raised with the DRC contract over time.

- **Cost of services**

Late in 2013, the Public Defender questioned the cost of services in relation to their utilization, as the cost structure was optimized for a higher number of participants. This cost structure projected a higher number of offenders (up to 100 daily participants per month) eligible to participate, with the inclusion of state parolees. Unfortunately, for reasons having to do with the State and the CDCR, and not the County or the DRC provider, parolees were not sent to the DRC until April 2014. As such, the actual enrollment of offenders who were ready and eligible for these services resulted below original expectations, and the cost per client was thought to be high.

This cost issue was resolved in June of 2014 through negotiation of more favorable conditions based on more accurate enrollment.

- **Recent Concerns**

Having resolved questions over costs, the focus from some members of the public and the Public Defender shifted to concerns about:

- a. Management communication and continuity
- b. Vendor for-profit status and relationship with parent company, The GEO Group, as operator of private detention facilities
- c. Low graduation rates

- **Management communications and continuity**

Management turn-over and an instance where a local manager was placed on administrative leave without sufficient communication to Probation executives, had created feelings of distrust and unease. While it is not appropriate for the County to tell any vendor how to manage the vendor's own employees, the proposed contract has specific provisions in the Scope of Services (Section C "Management/Personnel Issues") designed to address this issue. This provision supplements already substantial reporting requirements with respect to DRC clients.

In addition, Probation, as the lead agency, has worked closely with B.I. in the delivery of its services. Deputy probation officers have co-facilitated groups with B.I. staff at the center on a long term basis, and mid-management probation staff participates weekly in new client orientations.

- **Opposition to for-profit and out-of-state service providers; some public members' view of the mission of the parent company, The GEO Group**

At the time that the DRC was first set up, the contractor, B.I., was a for-profit corporation. It was acquired in 2011 by The GEO Group, Inc. The GEO Group states on its website that it is "the world's leading provider of correctional, detention, and community reentry services." The GEO Group is a for-profit organization, with one division operating private detention facilities, and the other community reentry and supervision services (including Day Reporting Centers).

Based on available research, The GEO Group provides only reentry and supervision services in California through GEO Reentry Services. GEO Reentry has been providing day reporting services for more than 16 years; presently, they are operating 17 DRCs in the State of California. No lawsuits or complaints about its reentry services have been found in California.

The County contracts with many "for profit" and "out-of-state" companies and service providers. These concerns seem to be ideological or political, and not based upon obtaining appropriate programmatic and most cost-effective services for this very challenging population. County staff works hard to be apolitical in the contracting process.

- **Low Graduation Rates**

The Public Defender has contended that “graduation rates” for DRC services provided by this vendor are low. The goals of the project, as described earlier, are to: implement structured treatment and feedback from one coordinated program to increase the effectiveness of probation officers (and parole) working with offenders on high risk caseloads; create an intermediate sanction to reduce the number of probation and parole violators contributing to jail overcrowding; and reduce recidivism and crime rates.

Although it would be ideal if every offender referred to the DRC graduated, the evidence-based principles being met by attending the DRC are not measured by graduation rates. Successful intervention strategies are measured by dosage, structured time and lowering risk levels by targeted interventions to address criminogenic needs.

During the period that a DRC has operated in Monterey County, under the services provided by B.I./GEO Reentry Services, outcomes have been positive. There has been a relatively low level of arrest for new crimes following graduation (43 out of 175), particularly in relation to the recidivism risk levels for this population. There has also been a relatively high percentage of probationers (nearly 70%) in the program obtaining employment.

### **Concerns Addressed**

As noted, the proposed contract with GEO Reentry Services has been structured to address concerns expressed about program cost for actual utilization as well as management communication and continuity through contract negotiation for scope of services and vendor responsibilities.

The cost structure allows paying for enrollment for a minimum of 50 clients daily and a tier structure for economy of scale with expansion of services with increased enrollment. Furthermore, CDCR reimburses the County for up to 30 parolees participating in the DRC. Current total participation at the DRC averages 80 clients.

The contract also outlines vendor responsibilities to include prompt and direct communication with Probation Executives of staff changes that affect the program, particularly for leadership and management.