

**COUNTY OF SAN DIEGO, CALIFORNIA**  
**BOARD OF SUPERVISORS POLICY**

**Subject**

Outcome-Based Measures for Health and Human Services Contracts

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Purpose

To establish the policy of the Board regarding outcome-based measures for health and human services contracts and other service contracts, as appropriate.

Background

Each year the County spends millions of dollars to provide health and human services. Expected positive outcomes of those health and human services justify the spending of taxpayer dollars.

The County of San Diego has assisted in the development of an extensive network of community-based organizations and private providers for dispensing a wide variety of health and human services to meet the needs of the citizens of San Diego County. This public-private partnership has allowed the County to leverage funding. The challenge the County of San Diego faces is meeting the needs of a heterogeneous population within a variable economic environment. In order to meet this challenge, every program and public-private collaborative must have a clear understanding of the target population's needs, the goals and objectives of meeting those needs, and the outcome(s) desired.

Additionally, this policy supports *Live Well San Diego*, the County's strategy to create healthy, safe and thriving communities by supporting building a better service delivery system.

Policy

It is the policy of the Board of Supervisors that departments use outcome-based or result-based contracting methods to the maximum extent practicable when designing systems and acquiring services, and that departments carefully select acquisition and contract administration strategies, methods, and techniques that best accommodate these and other program requirements. In addition, departments shall justify the use of other than outcome-based or result-based contracting methods when acquiring services. Outcome-based or result-based contracting methods consist of the following:

- a. Outcome-based or Result-Based Contracting means structuring a Performance Statement of Work and payment provisions around the purpose of the work to be performed and specific objectives and outcomes to be attained, rather than the manner by which the work is performed or broad/imprecise contractual requirements.

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- b. Performance Statement of Work. When preparing performance statements of work, departments shall, to the maximum extent practicable, describe the work in terms of who is to be served and what is the required outcome rather than how work is to be accomplished.
- c. Contractor Performance. Departments shall, to the maximum extent practicable, assign contractors full responsibility for achieving the desired outcome(s). Departments shall develop formal, measurable (i.e., in terms of quality, timeliness, quantity, etc.) outcome standards and monitoring plans to facilitate the assessment of contractor performance in meeting the desired outcomes. Monitoring plans shall include a process to assess and modify outcome measures during the contract period, as appropriate, with an opportunity for contractor input. Departments shall provide appropriate inspection and oversight of contractor performance.
- d. Selection Procedures. Departments shall use selection procedures that afford the greatest opportunity in meeting program goals. Selection procedures include, but are not limited to Request for Proposal and Request for Grant Application. It is recognized that competitive negotiation is the County's preferred method of selection for acquisition of these services. In such instances, contracting activities shall give careful consideration to developing evaluation and selection procedures that use quality- related factors.
- e. Contract Type. Departments shall use contract types most likely to motivate contractors to perform at optimal levels and allow for the lowest County administrative cost. To the extent permitted by law, funding source requirements, and circumstances, contracts shall include terms and conditions to encourage contractors to achieve desired outcomes and discourage unsatisfactory performance. These provisions shall be based on measurement against predetermined outcomes, performance standards, and monitoring plans.
- f. Multiyear Contracting. Departments are encouraged to establish multiyear contracts where the funding sources are stable and where service commitments are long-term. The use of such contracts will increase competition by offering a more stable, long-term contracting environment. It will encourage offerors to develop and implement innovative and efficient methods of performance. When applicable multiyear contracting shall be designed to promote increased performance outcomes and improved cost-effectiveness in each successive year.

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Sunset Date

This policy will be reviewed for continuance by 12-31-2020.

Board Action

04-20-93 (46)  
10-26-93 (14)  
07-10-2001 (15)  
02-27-2007 (9)  
12-09-08 (33)  
12-03-13 (15)

CAO Reference

1. Health and Human Services Agency
2. Department of Purchasing and Contracting