Opportunities Exchange

Example of a Request for Qualifications
For a Shared Services Hub to Serve Child Care Providers

Background

Decades of research confirm that high quality early childhood education has lifetime positive benefits, and is particularly impactful for children experiencing multiple risk factors associated with persistent poverty. However, market conditions and the lack of stable and sufficient public resources for child care costs have created widespread challenges in the child care sector, as evidenced by uneven levels of quality, high staff turnover and low wages in the workforce, lack of affordability for families, and insufficient supply, particularly in low income communities.

The goal of a Shared Service Alliance is to improve child outcomes by strengthening the capacity of the ECE sector to provide both business and pedagogical leadership. Strong business leadership is focused on building a cost-effective administrative team to maximize resources and ensure sustainability while also improving teacher wages, benefits and working conditions. Strong pedagogical leadership remains focused on effective teaching and learning—so that every child has a reflective teacher and every teacher has access to reflective supervision. The formation of Shared Service Alliances enables ECE providers to share these costs, to build and sustain strong organizations that are able to focus on their mission, create positive work environments and growth opportunities for staff, and offer high-quality early learning services.

[Insert narrative about specific project]

As part of the due diligence for this exploration, the next step is to identify an organization and/or create a partnership among organizations to function as a Hub for a Shared Service Alliance in [INSERT name of city/neighborhood/region]. This Request for Qualifications (RFQ) is a tool to help us identify the appropriate capacities and characteristics for a successful Alliance Hub. The RFQ corresponds to lessons learned by Opportunities Exchange regarding the establishment of successful Alliance Hubs in numerous communities across the country.

It is important to note that while both business and pedagogical leadership are necessary supports for a successful Alliance, this RFQ is focused on building capacity for shared business leadership. Respondents are encouraged to provide evidence of organizational capacity in pedagogical leadership and to describe strategies to boost teaching and learning, however proposals will be evaluated based on respondent's administrative capacity and ability to provide business leadership to a broader network of ECE providers.

Your organization has been identified as one that may have the capacity to contribute to a successful Hub model. Please complete the attached for to indicate your interest and your qualifications for this opportunity. Please note that each section begins by describing the rationale for that topic, followed by a series of related questions, and includes a request for related documentation.
[Note: See ideal response characteristics under questions below; these response characteristics should not show in the RFQ].

Mission Driven

A successful Alliance Hub must have the desire to work with other ECE organizations to improve business and/or pedagogical performance and see this as part of their mission rather than as an opportunity for increased funding. In other words, Shared Services for ECE is not a social enterprise; the Hub agency must be willing to provide the service at cost and use any revenues generated from efficiencies or additional fundraising to re-invest in the participating sites to boost quality.

What is the mission of your organization?
[Looking for evidence of focus on child outcomes]

How is the work of supporting early care and education compatible with the mission of your organization?
[Articulates how serving as a hub fulfills or expands organizational mission]

What is most compelling about the potential of serving in the role of Shared Service Hub for the community?
[Describes benefits in terms of child and family outcomes]

Fiscally Sound, Efficient and Effective

The Hub agency must be in strong financial shape. There are a variety of scenarios in which an applicant may demonstrate capacity in this area, including:
[Looking for evidence of monthly budget monitoring, knowledge of per-child costs, monitoring of enrollment/vacancy rate, etc.]

1) For child care providers: fiscal health is measured by the criteria in the "Iron Triangle", i.e. keeping all classrooms fully enrolled, collecting all revenues in full and on time (including parent fees), and having fees and third-party funding that cover costs (requires knowing the cost-per-child in every classroom).
   a. *How would you describe the overall fiscal health of your organization?*
      Click here to enter your response.
   b. *What indicators do you use to monitor your status?*
      Click here to enter your response.
   c. *What practices are used to address elements of the "iron triangle"?*
      Click here to enter your response.

2) For entities not providing direct child care services:
   a. *Describe how current financial management practices exhibit the skills and practices described above.*
      Click here to enter your response.
   b. *How are these transferable to the child care sector?*
      Click here to enter your response.

3) A Hub agency may choose to partner with a strong, stable child care provider who demonstrates capacity in financial management. In this case:
   a. *Describe the capacity of the partnering agency (using the metrics described above),*
      Click here to enter your response.
   b. *Describe the capacity of your organization, and*

Click here to enter your response.

c. *Describe the nature of the partnership.*
Click here to enter your response.

Additionally, the Hub agency should have automation systems in place (ideally, an automated child management system designed for the ECE sector) and experience with, or the ability to quickly get up to speed in managing, a wide range of early care and education funding streams – including: PreK, Head Start, foundations, private fees, etc.

Describe your organization's technology infrastructure. What tools and resources does your organization use to manage program funding (track revenue/expenses, maximize collections, reporting to funders, etc.)? If you use an off-the-shelf technology product, please provide the name of that product.
[Looking for use of child care management platform or similar Customer Relationship Management tool; robust use of data for tracking and analysis; ability to manage information remotely]

If you intend to revise/update/expand technology in order to better manage ECE funding, please tell us more about your intentions.
[Demonstrates deep knowledge of child care management systems, and challenges of moving programs to electronic record keeping]

How do these tools improve your organization's fiscal management practices and overall fiscal health?
[Demonstrates deep understanding of use of financial data]

Does your organization currently administer any direct service programs? If so, what are the sources of revenue and funding type (fee for service contract, grants, etc.) for those programs?
[Looking for evidence of knowledge/capability to administer multiple services with a diverse funding mix]

What, if any, experience does your organization have with revenue related to ECE programs and services? (Child care subsidy, Head Start, PreK, other?)
[Looking for relevant experience]

Experts have described child care as a "challenged business model". Describe the factors that make it so difficult for child care programs to be fiscally sound.
[Looking for understanding of child care challenges}

Willing to Innovate
A successful Hub agency is not rooted in the status quo but willing to explore different models and methods of sharing staff with other centers/ECE organizations to attain both economies of scale and economies of specialization.

Provide some examples of how your organization has advanced new approaches to the provision of social services.
[2-3 examples of innovative strategies]

How would you describe your organization's "risk tolerance" level?
==*[Evidence of willingness to undergo risk of failure]*==

Supportive Board
A successful Hub agency should have a board that is supportive of Shared Services in both concept and practice, and willing to support it as a mission rather than a revenue-generator.

How would you describe your board's current understanding of the role and purpose of a Shared Services Hub?
==*[Description of board dialogue]*==

Explain why you believe the board would be willing to engage in this work.
==*[Evidence of board approval]*==

Effective, Qualified Staff
Launching Shared Services requires staff that understand the concept of Shared Services in general and fiscal/program management in particular, are willing to innovate, and excited to be part of a new, national movement. Staff does not need to be on-board currently; but the agency needs to be able to recruit the right leadership.

Do you envision staffing from existing personnel, or the recruitment of new staff? How would you identify staff to manage this project (current or future)?
==*[Understands the concept of building on existing staff vs. creating separate Shared Services staff.]*==

What characteristics would effective staff need for this work?
==*[Understands the skills, knowledge and disposition needed in personnel working on this project]*==

Trust Within the Community
The Hub agency must have, or be able to build, trust among small ECE centers and/or homes in the community, local funders, policy makers and others. They should be viewed as a collaborator and have skilled upper management able to navigate the politics of ECE provider communities.

Describe your relationship/role in the ECE community currently.
==*[Evidence of long-standing and strong relationships.]*==

What are the indicators that your organization has/can gain the trust of ECE providers?
==*[Specific relevant evidence of existing relationships]*==

How would you approach building stronger relationships in the ECE community?
==*[Convincing description of strategies with some specificity]*==

List agencies and a brief description of collaborations with whom your organization currently partners
==*[At least 3]*==

Attachments

Please attach the following documents to your submission:
[Looking for evidence of organizational strength and stability]

- Independent Audit for the previous three years
- Current operating budget and YTD financial statement
- Annual Report for the past two years
- List of current Board of Directors (including affiliation and position)
- Organizational chart
- Statement from Board leadership that they understand and support the organization's efforts to lead a Shared Service Alliance