

From: Soura, Christian
To: Rick Edwards redwards@thirdsectorcap.org
CC: supra@scdhhs.gov
Date: 7/13/2013 12:24:26 AM
Subject: RE: Thanks for coffee Monday meeting

Rick,

Thanks for your note - I'm glad we had a chance to catch-up on Monday.

I'm pretty tight on Tuesday...would you have any time on Thursday morning? Thanks.

CLS

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From: Rick Edwards [redwards@thirdsectorcap.org]
Sent: Friday, July 12, 2013 9:37 AM
To: Soura, Christian
Cc: supra@scdhhs.gov
Subject: Thanks for coffee Monday meeting

Hi, Christian and John. I enjoyed our coffee on Monday and had fun brainstorming on the session and on SC moving forward.

Christian, per my voice mail yesterday to you, lets see if we can connect on Tuesday , the 16th in mid afternoon for 20 minutes on the phone.

Third Sector Capital has been very involved in assisting governments at county, city and state level consider Pay For Success interventions through to formal procurements. We believe there is a key role for a transparent government adviser to work collaboratively with you and all stakeholders in South Carolina.

Here is a brief oversight of those " Lessons Learned " for Government work that we both talked about and value.

Third Sector's technical assistance and advisory services guide government at all levels in exploring and assessing the potential for PFS, developing deals, and executing contracts. We offer a responsive and collaborative approach that educates and informs key stakeholders throughout the assessment. This transparent approach really builds excitement and multiple party buy in at decision time.

Phase I – Government Education and Feasibility

This phase prepares the government and its stakeholders to identify departments and intervention areas that may be a best fit for a PFS pilot. A budget analysis and technical assistance for the government on the mechanics of PFS contracts will help inform the type of procurement or pilot process the government may wish to pursue if it decides to move forward. In South Carolina, this Phase has been partially completed but we should assess more intervention areas with you in one early brainstorm session soon.

Phase II – Community Landscape Analysis

Phase II will further refine Phase I by engaging community stakeholders and providers to identify specific interventions, funders, and data that are available to support potential PFS projects. Phase II analysis will rule in/out the opportunity for sole source procurement and finalize the appropriate procurement mechanism in the event the government decides to move forward. Third Sector would focus with you on new opportunities beyond NFP while completing a more detailed cash flow model of NFP around fiscal savings.

Phases III and IV – Procurement, Deal Construction, and Contract Execution

The primary goal of Phase III is to select the service provider(s) and/or intervention(s) with which government hopes to pursue a PFS pilot, and to reach specific and detailed agreements for the PFS project between all

participating parties. We would complete pro forma modeling on most promising interventions to prepare you for December budget presentations.

Following completion of Phase III, Phase IV sets up the appropriate structures to execute the PFS contract, including incorporating necessary legal entities, establishing financial accounts, and advising selected intermediaries and service providers. Depending on the agreements, activities can also include raising capital. As we discussed on Monday, we can help South Carolina significantly in these later phases, but understand that we need to complete the key early intervention work to launch you into the January, 2014 legislative process first.

Regards and call me on scheduling for next week if that works. Rick

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