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Title: Actions pertaining to the comprehensive administration of the United States Department of Housing and Urban Development (HUD) programs
 1. Approve Consulting Services Agreements with Michael Baker International in the amount of \$113,000
 2. Approve Consulting Services Agreements with Usona Development, LLC in the amount of \$304,510

Sponsors: Planning and Development Department

Indexes:

Code sections:

Attachments: 1. Exhibit A: Request for Proposal (RFP), 2. Exhibit B: Michael Baker International Consultant Services Agreement.pdf, 3. Exhibit C: Usona Development, LLC Consultant Services Agreement

Date	Ver.	Action By	Action	Result
9/20/2018	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

September 20, 2018

FROM: JENNIFER CLARK AICP, Director
Development and Resource Management Department

THROUGH: KELLI FURTADO, Assistant Director
Development and Resource Management Department

BY: THOMAS MORGAN, Housing & Community Development Manager
Development and Resource Management Department

SUBJECT

Actions pertaining to the comprehensive administration of the United States Department of Housing and Urban Development (HUD) programs

- Approve Consulting Services Agreements with Michael Baker International in the amount of \$113,000
- Approve Consulting Services Agreements with Usona Development, LLC in the amount of \$304,510

RECOMMENDATION

Staff recommends that the City Council approve Consulting Services Agreements between the City of Fresno (City) and 1) Michael Baker International (Michael Baker) and 2) Usona Development, LLC, (Usona) effective October 1, 2018, through June 30, 2019, with awards for up to four additional years based on contractor performance and availability of funding, and authorize the City Manager or designee to execute all implementing documents, subject to City Attorney approval.

EXECUTIVE SUMMARY

Due to staffing capacity, the City issued a Response for Proposals (RFP) for the comprehensive administration of local HUD Office of Community Planning and Development (CPD) programs. On July 27, 2018, two proposals were received from Michael Baker and Usona. Staff is recommending that both firms are awarded agreements based on the expertise of each firm.

BACKGROUND

The City participates in the HUD CPD programs for Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Partnership Program (HOME), and Housing Opportunities for People with AIDS (HOPWA). The City receives an annual allocation of approximately \$11,000,000.

The City's Development and Resource Management (DARM) Department recommends the retention of a consultant with expertise and experience in successfully administering HUD programs. The successful consultant team and/or individuals require experience in the comprehensive program administration and implementation, development and coordination of programmatic plans, and performance reports (including but not limited to the Annual Action Plan and the Consolidated Annual Performance and Evaluation Report.)

DARM's Housing and Community Development Division (Housing Division) has been challenged with turnover, training, and ultimately the successful administration of HUD programs. While significant progress has been made in the Housing Division, including updated policies and procedures, training, monitoring plans, and proper documentation for HUD programs, much work remains to ensure that CPD programs are properly implemented in accordance with rigorous HUD standards. The City continues to work with CPD to clear audit findings from as far back as 2012. However, as evidenced by recent audit findings, the City does not possess the expertise and capacity to effectively administer these programs. The proposed agreements will allow the City to retain the expertise necessary to ensure proper administration of the respective federal funds for the benefit of the community.

With that understanding, Personnel Services provided bargaining units with notice of the RFP and has met all meet and confer obligations in order to identify a firm or firms that can ensure compliance with HUD regulations and maximize the City's ability to provide the much needed resources to the community. Due to several factors, including pending retirements, it is anticipated that the Housing Division will be operating at less than 30% staffing in the coming weeks. However the remaining staff and the proposed agreements will provide the City with the requisite tools to meet its administrative obligations for each of the respective HUD programs.

As part of the City's Annual Action Plan, and CPD entitlement award, HUD funds are made available for administration of the programs. Any resulting contract and associated City expenditures will be included in the appropriate administration budget provided through the entitlement grant, and shall not exceed the applicable annual statutory limits on administration and planning for each formula program. While no general funds will be utilized for the proposed consultant activities, it is important to note that ineligible use of CPD funds results in the repayment of those activities with non-Federal, or general fund dollars.

Project Scope

Tasks listed below are summaries of applicable activities necessary to administer and oversee the four formula programs, and not intended to represent a complete listing of day to day activities of the consulting firm(s).

Task 1. Consultant will administer and implement the City's Federal Formula Programs including but not limited to:

- Prepare documents including contracts, agreements, and amendments;
- Prepare and publish hearing notices for citizen input on the allocation of annual funds and/or any changes in the allocation of funds;
- Prepare reports for City review and approval of projects and activities;
- Administer and process subrecipient agreements, notices of grant awards, reimbursements and all necessary documentation;
- Close-out the NSP program (NSP1 and NSP3);
- Prepare and complete all required reports and documents, including the Quarterly Performance Report, labor standards report and Contract/Subcontract activity report; and
- Keep City informed about current HUD requirements for the CPD Programs including rule changes, funding levels, etc.

Task 2. Consultant will assist City staff in the preparation of staff reports, related exhibits and presentation materials; provide input on resolutions for agenda items pertaining to the entitlement programs; and participate in public meetings as may be requested by City staff.

Task 3. Consultant will prepare notice of grant awards and subrecipient agreements to implement projects including project scope of work and budgets.

- Complete and submit all documents which describe the projects, funding amounts, program beneficiaries and project locations;
- Prepare and process amendments for on-going projects; and
- Prepare and publish public hearing notices for substantial changes in project description and or funding levels.

Task 4. Consultant will prepare funding requests for each project.

- Review payment requests and invoices for allowed costs pursuant to CDBG criteria and the associated notice of grant award/subrecipient agreement;
- Administer the Integrated Disbursement and Information System (IDIS);
- Conduct monthly reconciliation with the City's People Soft system;
- Prepare and submit draw packages; and
- Monitor the drawdown of funds in order to comply with HUD regulations and Consolidated Plan performance goals.

Task 5. Consultant will coordinate with staff and gather all necessary files and documentation for program monitoring and audit preparation.

- Develop and maintain all necessary documentation for monitoring and Single Audit; and
- Assist Federal monitors during program performance reviews, and City auditors during Single Audit.

Task 6. Consultant will act as one of the City's representatives to the regional CPD Office.

- Coordinate program monitoring visits and audits;
- Prepare responses to correspondence and monitoring findings;
- Submit inquiries for clarification and determinations on behalf of the City; and
- Attend all mandatory trainings.

Task 7. Consultant will ensure compliance with all applicable Federal, State and local laws and policies.

- Develop and maintain current policies and procedures for all aspects of the programs;
- Keep updated copies of all regulations and handbooks at appropriate locations;
- Circulate information bulletins to City staff as necessary;
- Train City staff and subrecipients as needed; and
- Attend HUD seminars on program and regulatory changes.

Task 8. Consultant will provide for a marketing plan to generate qualified applicants to participate in the relevant programs such as Senior Paint or Minor Repair with special emphasis on outreach to the low-income neighborhoods.

Task 9. Consultant will be responsible for the preparation and submission of all applicable annual HUD plans and reports including but not limited to the annual Action Plan, Consolidated Annual Performance and Evaluation Report (CAPER), and various HUD quarterly, semi-annual and annual reports. [Note: The City intends to issue a separate RFP for consultant services to assist in the comprehensive community outreach and its preparation of the upcoming 2020 - 2024 Consolidated Plan and the 2019 Assessment of Fair Housing; all consultants will be expected to interact.]

Selection Process

Each Respondent was evaluated in accordance with the criteria and weighted scoring and ranking methodology developed to meet HUD and City procurement requirements. Proposals were evaluated for each funding program and/or program group included in their proposals. In other words, a Respondent expressing an interest in assisting in the delivery of all four funding programs was evaluated and ranked for each of the four programs. The City's objective was to select the best Respondent or combination of Respondents to assist in the administration of HUD entitlement programs.

Evaluation Criteria was weighted as outlined below:

Scoring Factor (Maximum Number of Points)

1. Quality of the proposal (24)
2. Respondent qualifications and experience (28)
3. Ability and capacity of the Respondent (20)
4. Compensation (16)
5. MBE/WBE/Section 3 Certification (12)

A panel of City management level staff, utilizing criteria and a scoring methodology provided within the RFP, reviewed, scored and ranked each respondent's proposal. Michael Baker was selected for their considerable experience in administering and delivering the HUD, ESG and HOPWA programs and other homeless activities funded through the CDBG and HOME programs. Usona was selected due to their extensive experience with the CDBG and HOME programs, including program planning, program design, development and administration, and their deep technical expertise with the HUD Integrated Disbursement and Information System (IDIS) as well as other HUD management systems.

ENVIRONMENTAL FINDINGS

In accordance with the California Environmental Quality Act (CEQA) Guidelines Section 15378, this item does not qualify as a project and is therefore exempt from CEQA requirements. In addition, the proposed service is not subject to an environmental review under the provision of the National Environmental Policy Act (NEPA) as administrative and management activities are specifically exempt under 24 CFR § 58.34(a) (4).

LOCAL PREFERENCE

Local preference is not applicable based on conditions of federal funding.

FISCAL IMPACT

No City of Fresno general funds will be needed. The additional expense of \$417,510 can be absorbed within the department's existing federal administrative appropriations.

ATTACHMENTS

Exhibit A: Request for Proposal (RFP)

Exhibit B: Michael Baker International Consulting Services Agreement

Exhibit C: Usona Development, LLC Consulting Services Agreement