City of Arts & Innovation

City Council Memorandum

TO: **HONORABLE MAYOR AND CITY COUNCIL** **DATE: APRIL 16, 2024**

FROM: **HOUSING AND HUMAN SERVICES** **WARDS: ALL**

SUBJECT: **THIRD AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH KINGDOM CAUSES, INC. DBA CITY NET FOR $151,521.69 IN MEASURE Z FUNDS FOR RENTAL ASSISTANCE PROGRAM CASE MANAGEMENT SERVICES UNDER REQUEST FOR PROPOSALS 1975 AND SUBRECIPIENT AGREEMENT FOR CASE MANAGEMENT AND SUPPORTIVE SERVICES/SANTA ANA RIVERBOTTOM RESPONSE FOR $313,818.65 IN COUNTY OF RIVERSIDE GRANT FUNDS AND PROFESSIONAL CONSULTING SERVICES AGREEMENT FOR $454,792.96 IN MEASURE Z FUNDS FOR RENTAL ASSISTANCE CASE MANAGEMENT WITH KINGDOM CAUSES, INC. DBA CITY NET UNDER REQUEST FOR PROPOSALS 2278**

ISSUES:

Approve the Third Amendment to the Professional Services Agreement with Kingdom Causes, Inc. dba City Net for $151,521.69 in Measure Z funds for rental assistance program case management services under Request for Proposals 1975; the Subrecipient Agreement for case management and supportive services/Santa Ana Riverbottom response for $313,818.65 in County of Riverside grant funds; and the Professional Consulting Services Agreement for $454,792.96 in Measure Z funds for rental assistance case management with Kingdom Causes, Inc. dba City Net under Request for Proposals 2278.

RECOMMENDATIONS:

That the City Council:

1. Approve the Third Amendment to Professional Services Agreement to increase compensation $151,521.69 in Measure Z funds and the extend term of April 10, 2023 to December 31, 2023 for Rental Assistance Program Case Management Services under Request for Proposal 1975;

2. Approve the Subrecipient Agreement for Case Management and Supportive Services/Santa Ana Riverbottom Response for an amount of $313,818.65 in County of Riverside Grant funds for the term of April 1, 2023 to December 30, 2024;

3. Approve the Professional Consulting Services Agreement in the amount of $454,792.96 in Measure Z funds for the term of January 31, 2024 to December 31, 2024 for Rental Assistance Case Management under Request for Proposals 2278; and

4. Authorize the City Manager or his designee to execute the agreements, including making minor and non-substantive changes.

BACKGROUND:

The City procured Kingdom Causes, Inc., dba City Net (City Net) on April 9, 2020 under Request for Proposal (RFP) 1975 for case management of the City's rental assistance program.

When the City began operating a rental assistance program with one case manager, there was a need to procure additional case managers to support the increasing caseload. The City was able to use RFP 1975 to contract with City Net for additional case managers that would provide wrap around services to assist clients with obtaining housing stability and self-sufficiency.

The following is a list of contracts that the City contracted with City Net for the case management of the City's rental assistance programs.

Contract	Execution Date	Activity	Funding Amount	Funding Source
Professional Consultant Services Agreement (PCSA)	April 9, 2020	2 fulltime case managers	$237,640	Measure Z funds
First Amendment to PCSA	August 4, 2020	4 fulltime case managers	$237,640	CARES Act
Second Amendment to PCSA	February 1, 2022	4 fulltime case managers	$407,637.80	Measure Z

DISCUSSION:

There was a delay in getting this contract before City Council as the proposed number of case managers was reduced from six to four case managers and a revised budget had to be obtained and reviewed by staff before proceeding with new agreements.

Third Amendment to Professional Services Agreement

The Third Amendment to Professional Services Agreement with City Net would cover the extended term of April 10, 2023, to December 31, 2023 that funds four fulltime case managers for $151,521.69 from Measure Z. The total services cost for the extended term is $280,595.72, which $129,074.03 is covered under the Subrecipient Santa Ana River Bottom (SARB) Riverside County grant.

Purchasing Resolution 24101, Section 1104.5(d) states that "Change Orders. Modifications to a Purchase Order shall be made only by Change Order, except that minor variances of $200 or less, where the variance is due to sales tax or freight charges may be processed without a Change Order. Subject to the availability of funds, Change Orders may be utilized for purposes of… (5) modifying contract completion time or the term of a Contract … Unless otherwise specifically authorized by the Awarding Entity, Change Orders which cumulatively exceed the following will require Awarding Entity approval: modifying contract completion time or the term of a Contract ... Unless otherwise specifically authorized by the Awarding Entity, Change Orders which

cumulatively exceed the following will require Awarding Entity approval: (d) A Contract amendment which extends the term of the agreement beyond one year of the original expiration date.

Subrecipient Agreement for Case Management and Supportive Services Agreement

On July 12, 2023, the City and the County of Riverside entered into a grant agreement for the SARB Response in the amount of $613,818.65 for case management services and on-the-job training for individuals being housed from the Santa Ana River Bottom. On March 5, 2024, the County approved a budget modification to increase funding for case management from $203,818.65 to $313,818.65 and decrease On-the-Job Training funding from $410,000.00 to $300,000.00.

A Subrecipient Agreement for Case Management and Supportive Services for the SARB with City Net would cover SARB case management services in the amount of $313,818.65 for the term of April 1, 2023, to December 30, 2024.

Purchasing Resolution 24101, Section 703 states that "Grant Purchases. When the Procurement of Services are to be procured through the use of Federal or State grant funding, procurement shall be done in accordance with the procedures herein. If the receipt of grant funding is conditioned upon requirements and procedures more strict than as set forth herein, the procedures necessary for the receipt of the grant funding shall be followed. Certain federally funded Procurements are subject to sections 200.317 through 200.327 of Title 2 of the Code of Federal Regulations (CFR). Federally funded Procurements shall follow the applicable CFR provisions, except where this Resolution provides for a stricter procedure, then the provisions of this Resolution shall apply. The Using Agency is responsible for compliance with all aspects of grant requirements and shall inform the Manager of any and all grant requirements which affect the expenditure of grant funds and the procurement of Goods, Services, or Construction with grant funds."

Professional Consulting Services Agreement

On May 25, 2023, the Purchasing Division of the Finance Department released RFP 2278 for Case Management Services under the City's rental assistance programs. There were 560 vendors notified and 20 prospective bidders on the bidders list. The RFP closed on June 16, 2023, with four (4) responses received, which were considered responsive. On October 3, 2023, a non-bidder email was sent to determine reasoning for non-bid, none of the non-bidders responded. An evaluation committee of three (3) members evaluated the responses based upon approach and methodology, pricing, qualifications, experience with projects of similar size and scope, and professional references, the City deemed City Net as the most qualified responsible proposer, with the highest score of 881.67.

Purchasing Resolution 24101, Section 500 states that "Policy. For the acquisition of Goods, Services and Construction, Formal Procurement shall be conducted by the Manager and the Manager's duly authorized representatives in conjunction with a Using Agency, or may be conducted by the Using Agency, through the approval of the Manager and the Manager's duly authorized representatives in a manner and under circumstances intended to elicit competitive responses."

Purchasing Resolution 24101, Section 508(d) states that "Awards. Contracts procured through Formal Procurement shall be awarded by the Awarding Entity to the Lowest Responsive and Responsible Bidder, except that: (d) Contracts for Professional Services procured through Formal

Procurement shall be awarded by the City Council. Where the Using Agency is the Public Utilities Department, the award shall be reviewed by the Board of Public Utilities for recommendation prior to award by the City Council."

Purchasing Resolution 24101, Section 700(b) states that "Policy. Acquisition of Services by a Using Agency under the supervision of the Manager: (b) Anticipated to be more than $50,000, shall follow the Formal Procurement process."

Staff is requesting City Council to consider the following contracts to compensate City Net for case management services provided to the City's rental assistance program participants and to continue providing case management with four case managers.

Contract	Funding Amount	Funding Source	Term
Third Amendment to Professional Services Agreement	$151,521.69	Measure Z funds	4/10/2023 – 12/31/2023
Subrecipient Agreement for Case Management and Supportive Services Agreement	$313,818.65	Santa Ana River Bottom (SARB) Response	4/1/2023 – 12/1/2024
Professional Consulting Services Agreement	$454,792.96	Measure Z funds	1/1/2024 – 12/30/2024

Currently, City Net case manages 52 rental assistance program participants.

The Purchasing Manager concurs that the recommended actions comply with the Purchasing Resolution 24101, Sections 500, 500(d), 700(b), 703, and 1104.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 2 – Community Well-Being**, **Goal No. 2.2**, collaborate with partner agencies to improve household resiliency and reduce the incidence of homelessness.

This item aligns with Each of the five Cross-Cutting Threads as follows:

1. **Community Trust** –Activities and actions by the City serve the public interest, benefit the City's diverse population and result in greater public good.

2. **Equity** –All individuals served in the City's rental assistance programs will be treated with dignity, respect, and compassion regardless of the circumstances, ability, or identity.

3. **Fiscal Responsibility** – Competitive procurement was used to secure lowest cost for services.

4. **Innovation** – This action item provides the City with the ability to support innovative programs that address gaps in our homeless system of care.

5. **Sustainability & Resiliency** – This action item will help equip rental assistance programs participants with the tools needed to achieve housing stability and self-sufficiency.

FISCAL IMPACT:

The total fiscal impact of this action is $920,133.30. The funds are budgeted and available in the following funds and accounts as indicated in the table below:

Fund	Account Name	Account Number	Amount
Measure Z	Homeless Outreach, Professional Services	8002003-421000	$606,324.65
Development Grants	Santa Ana River Bottom	9349100-440210	$203,818.65
	Delivery of Permanent Housing and Innovative Housing Solutions	9351030-440210	$110,000.00
		Total	**$920,133.30**

Prepared by: Michelle Davis, Housing and Human Services Director
Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by: Mike Futrell, City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. Third Amendment to Professional Services Agreement County of Riverside Department of Housing and Workforce Solutions and Continuum of Care's Homelessness Action Plan Presentation
2. Subrecipient Agreement for Case Management and Supportive Services Agreement Presentation
3. Professional Consulting Services Agreement