



Good Neighbors

# San Diego Housing Commission

## REPORT

DATE ISSUED: July 17, 2006

REPORT NO: HCR 06-50

ATTENTION: Chair and Members of the Housing Commission  
For the Agenda of August 4, 2006

ITEM: 100

SUBJECT: Contract for Consulting Services for Consolidated Annual Performance and Evaluation Reports and Annual Action Plans.

### REQUESTED ACTION:

Authorize the President and Chief Executive Officer (CEO) to enter into a contract with D.R. Elrod and Associates for Consulting Services for Fiscal Years (FY) 2006 - 2009 Consolidated Annual Performance and Evaluation Reports (CAPERs) and FY 2008 & 2009 Annual Action Plans

### STAFF RECOMMENDATION:

That the Housing Commission authorize the CEO to negotiate and enter into a contract with D.R. Elrod and Associates for consulting services. Contract terms are as follows:

- 1) The contract will include the following six (6) projects; FY06 CAPER, FY07 CAPER, FY08 CAPER, FY09 CAPER, FY08 Annual Action Plan and FY09 Annual Action Plan.
- 2) Services are based on a contract period up to thirty-eight (38) months with renewal options contingent upon satisfactory completion of each project, as determined by the Housing Commission.
- 3) The proposed expenditure for funding award will not exceed \$145,000 for the entire contract period.

### SUMMARY:

In 1994, the U.S. Department of Housing and Urban Development (HUD) began requiring entitlement jurisdictions to prepare a five-year strategic planning document entitled the "Consolidated Plan." This strategic document consolidates planning with the application and funding allocation processes for five federal entitlement grant programs:

- 1) Community Development Block Grants (CDBG)
- 2) HOME Investment Partnerships Act (HOME)
- 3) Emergency Shelter Programs (ESG)
- 4) American Dream Downpayment Initiative (ADDI)
- 5) Housing Opportunities for Persons with AIDS (HOPWA).

In order to comply with HUD requirements, each entitlement jurisdiction is required to submit an annual application (Action Plan) and an annual performance report (CAPER). Action Plans serve as the yearly funding application for the five federal entitlement grants and set forth a one-year strategy to utilize these revenues. Annual strategies target five-year goals identified in the Consolidated Plan. Progress on the jurisdiction's ability to attain these goals is reported in the CAPER. Through the Annual Action Plan process, the City applies for approximately \$30 million in federal entitlement funds each year, which support community/economic development and affordable housing activities.



A state agency authorized by the City of San Diego

The San Diego Housing Commission is the lead agency responsible for preparing San Diego's Consolidated Planning documents and submitting them to HUD for approval. The City of San Diego's existing Consolidated Plan covers the period July 1, 2005 through June 30, 2009. Traditionally,

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independent consultants have been hired to assist in the preparation of each individual Action Plan and each individual CAPER. Since Consolidated Planning documents are interrelated, staff recommends retaining a single consultant to prepare the remaining documents in the 2005-2009 Consolidated Plan cycle. The benefits of using the services of a single consultant or firm are threefold: it will ensure consistency throughout the planning and reporting process, it will increase efficiency through an economy of scale which in turn will generate a level of competition not seen in the awarding of past contracts.

On June 7, 2006 San Diego Housing Commission staff issued a Request for Funding Proposals (RFP) for consulting services pursuant to Housing Commission procurement policy guidelines. Two proposals were received by July 5, 2006 from the following firms; Macias Consulting Group, Inc. and D.R. Elrod and Associates. On July 7, 2006 an evaluation committee, consisting of Housing Commission and City staff, reviewed proposals and selected D.R. Elrod and Associates based upon the following criteria:

- Qualifications and experience in obtaining approval of similar government documents- 40%
- Ability and availability to conduct the specified Scope of Services- 35%
- Cost- 25%

Based upon the evaluation criteria considered in the procurement selection, responsive bidders received the following scores:

- Macias Consulting Group, Inc.- 45
- D.R. Elrod and Associates- 80

The Housing Commission has experience working with D.R. Elrod and Associates on the FY06 and FY07 Action Plans. Both contracts were completed to the satisfaction of the Commission.

As an alternative, the Housing Commission could continue to retain individual consultants for each Consolidated Planning document. Adoption of the alternative could result in different firms preparing each document or a combination thereof, thus limiting continuity and potentially increasing costs and resources. Staff does not recommend the alternative approach. To ensure satisfaction with the contractor's performance, there is a provision within the contract that allows for a renewal option after each individual plan/report is completed. Such a provision allows the greatest amount of flexibility to seek other vendors if performance on any one project is not satisfactory.

**FISCAL CONSIDERATIONS:**

Sixty (60) thousand dollars was allocated in the FY07 budget to cover the costs of the FY06 & FY07 CAPERs and the FY08 Action Plan. The remainder of the contract funds will be allocated within the corresponding FY08 and FY09 budgets.

The Housing Commission receives approximately \$1.25 million annually of the City's CDBG funds to support affordable housing programs. A portion of these funds, in conjunction with other local funding sources, are used to fund the preparation of Consolidated Planning documents.

**PREVIOUS COUNCIL and/or COMMITTEE ACTION:** (not applicable)

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COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Outreach for consulting services consisted of a mailing to sixteen (16) consulting firms and two (2) notices published in each of the following papers; *San Diego Dailey Transcript*, *La Prensa*, and *Voice and Viewpoint*. A complete RFP was posted on the Housing Commission website.

ENVIRONMENTAL REVIEW:

This action is categorically exempt from the provisions of CEQA pursuant to State CEQA Article 19 Guidelines Section 15301 (existing facilities). It is also categorically excluded from the provisions of NEPA under the provisions of 24 Code of Federal Regulations 58.35(b).

KEY STAKEHOLDERS & PROJECTED IMPACTS: (not applicable)

Respectfully submitted,

**Signature on File  
With Original Document**

Approved by,

D. Todd Philips  
Director of Policy and Public Affairs

Elizabeth C. Morris  
President & Chief Executive