



CITY COUNCIL AGENDA REPORT

City of Anaheim OFFICE OF THE CITY MANAGER

DATE: FEBRUARY 4, 2020
FROM: OFFICE OF THE CITY MANAGER
SUBJECT: REPORT ON TEMPORARY EMERGENCY SHELTER REQUEST
FOR PROPOSALS

ATTACHMENT (Y/N): YES **ITEM # 14**

RECOMMENDATION:

That the City Council, by Motion, take the following actions:

- 1) Select one of two proposals to provide temporary shelter services as submitted by The Salvation Army (101 beds proposed at 1455 S. Salvation Place), in an amount not to exceed \$1.73 million annually, plus one time capital costs, for a two-year period with two one-year renewal options and The Illumination Foundation (100 beds proposed at 1125 N. Magnolia Avenue), in an amount not to exceed \$2.38 million annually for a twenty-year period with five, five-year renewal options;
- 2) Authorize the City Manager to enter into an agreement with the preferred provider (The Salvation Army or Illumination Foundation), including any related agreements and/or documents, and take all actions as are necessary to administer the agreement and implement the additional temporary shelter beds and services;
- 3) Increase the City Administration FY 2019/20 budget accordingly based on the preferred provider; and
- 4) Determine that the recommended action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15307, 15308 and 15061(b)(3) of Title 14 of the California Code of Regulations.

BACKGROUND:

During the November 5, 2019 City Council meeting, Councilmember Brandman requested the City Council begin a process that would potentially lead to an additional temporary shelter, preferably in Council District 2, to ensure sufficient beds remain available to serve Anaheim's homeless population. The Mayor, Mayor Pro Tem Faessel and Councilmember Brandman agreed to work together on an emergency ad hoc committee for the purposes of developing an emergency Request for Proposal (RFP) for a private-public partnership with the goal of adding up to 100 shelter beds within 90 to 120 days. The stated goal was to bridge the time required for surrounding cities to

complete planned projects that would collectively provide approximately 250 additional beds in the North Orange County Service Planning Area.

To meet the tight timeline requested by Council, on November 7, 2019 the ad hoc committee, along with their council aides, the City Manager, and staff from Police, Public Works, Planning and Building and the Public Information Office, held its first meeting to discuss the current situation with the city's unsheltered homeless population and the current population in its two shelters. The ad hoc committee requested staff prepare an RFP for the Committee's review prior to finalizing it and releasing it to the public. The status of this first meeting was reported to Council on November 19, 2019 as part of the City Manager's update.

Following distribution and review by the ad hoc committee, the RFP was approved and finalized and included the following:

- Temporary Emergency Shelter with 50-100 beds
- Citywide location request with a preference in District 2
- Focus on females, families, couples and pets
- City's commitment to expedite
- Private/Public partnership preferred
- Two-year contract with operator with two additional one-year options

The ad hoc committee also requested that the City Council be provided with the latest information on the anticipated timing for the opening of the Placentia and Buena Park shelters. The Placentia shelter is proposed to provide up to 100 beds and is slated to open this spring. The Buena Park shelter is proposed to provide up to 150 beds and is slated to open this summer.

DISCUSSION:

On November 26, 2019, the RFP for a Temporary Emergency Shelter was released and emailed to Anaheim's current shelter operators and Homeless Collaborative group, which is comprised of over 200 service providers.

On December 5, 2019, staff held a Mandatory Pre-Proposal Information Session which was attended by representatives from Illumination Foundation, Clean City, Volunteers of America and the Salvation Army. Attendees presented questions seeking clarification on a number of items in the RFP.

On December 6, 2019, the ad hoc committee met again to discuss and provide direction on the questions asked during the mandatory pre-proposal meeting. The committee assisted staff in formulating responses to the questions and directed staff to form a review team to review and score the proposals when received based on the RFP requirements. A review team was formed consisting of representatives from multiple city departments and a representative from City Net.

The deadline for submission in the RFP was December 17, 2019, and staff received two proposals, one from Illumination Foundation and the other from The Salvation Army. Both service providers have current contracts to operate the city’s two shelters. On January 8, 2020, both operators were invited to interview and present their proposals.

On January 17, 2020, the ad hoc committee met for the final time to discuss the review team’s scoring and assessment of the proposals based on the criteria set forth in the RFP. The following chart briefly outlines key criteria of the RFP, the areas rated, and what each provider is proposing:

	Comparison Chart	RFP Request	Salvation Army	Illumination Foundation
1	Location	Citywide w/preference in D2	D5	D1
2	Readiness	90-120 days	90-120 days	September 2020
3	Contract Term	2 years plus two 1-year options	2 years plus two 1-year options	20 years plus five 5-year options
4	Construction Cost	Be cost effective and minimize costs to the City	\$1.8 million	Costs built into operation cost over 20 years
5	Operation Cost (50 beds)	Be cost effective and minimize costs to the City	\$868,000 annually	\$1.77 million annually, based on 20 years
6	Operation Cost (100 beds)	Be cost effective and minimize costs to the City	\$1.73 million annually	\$2.38 million annually, based on 20 years
7	Additional 50-100 beds	Flexibility to start low and ramp up	Yes, but 101 beds is most cost effective	Maximize cost effectiveness is achieved with 200 beds

Both organizations are well-respected, qualified, and currently play a key role in serving the needs of the city’s homeless population. With this understanding, the scope and overall approach of their proposals were different. The Salvation Army is proposing the expansion of its existing “temporary” or “interim” facility that would function for a limited period of time. As demonstrated in the foregoing chart, Salvation Army’s proposal met the contract term, readiness, and flexibility of the city’s requirements listed in the RFP. Conversely, Illumination Foundation is proposing the development of a new shelter that would have a more expansive scope and would function for a longer period

of time. While the Illumination Foundation met some of the requirements of the RFP and were able to demonstrate their ability to operate a shelter, its proposed approach would be more suitable had the city required more than 100 beds for a longer period of time (20+ years), and could wait until September 2020 for its completion.

The review team’s scoring of each proposal is provided below.

RFP Section	Description	Max Points	Illumination Foundation	Salvation Army
1	Organizational Experience, Readiness, and Program Description	10	7.7	9.4
2	General Program Overview	12	8.3	10.6
3.1	Level and Types of Services	15	13.3	14.3
3.2	Service Partners	10	8.7	9.7
4	Client Selection and Service Delivery	15	13.6	14.4
5	Participation in Coordinated Entry & Performance Measures (Objectives and Outcomes)	10	8	9.4
6	Annual Operating Budget	10	5.6	8.6
7	Connection to and Knowledge of the Local Community (3 points for housing w/n the City of Anaheim, 5 points for locating facility w/n District 2)	8	4	4.2
8	Site Location and Readiness for Facility and proposed plan for funding the construction and operation of the facility	10	6.7	9.3
		100	75.9	89.9

Based on the criteria in the RFP and scores noted above, the review team recommended The Salvation Army’s proposal to the ad hoc committee. In addition to its higher score, the review team noted the following attributes associated with The Salvation Army’s proposal:

- It would expand an existing facility;
- Be completed in the timeframe requested;
- Offers the potential size and space needed immediately;
- By comparison, is cost effective in terms of capital outlay and operation costs per day;
- Is responsive to the preferred duration of 2 years with two 1-year options which ideally would correspond with the Center of Hope project in the next two years and other city’s shelters coming online this year; and
- Allows for smooth transition from temporary emergency shelter to more permanent shelter and supportive housing on same site to reduce disruption of care for this population;

After discussing the review team’s scores and evaluation, the ad hoc committee concurred with staff’s recommendation and found The Salvation Army’s proposal to be

the most responsive to the RFP. While the ad hoc deemed The Salvation Army to be the preferred provider in this instance, the ad hoc requested that both proposals be submitted to the City Council for review and consideration. Therefore, both proposals are attached with proprietary financial and/or personal and confidential information redacted.

Given the critical nature of the timing, the recommended action includes authorizing the City Manager to amend the existing agreement and/or enter into an agreement, as may be required, with the preferred provider, either The Salvation Army or Illumination Foundation, including any related agreements and/documents required to implement the proposal.

IMPACT ON BUDGET:

There will be a budgetary impact with either proposal to fund one-time capital costs and annual operations. However, with the California Homeless Housing, Assistance and Prevention Program (HHAP) the city has applied to receive over \$8.5 million from this program that may help offset some of the costs for either proposal.

Respectfully submitted,

Chris Zapata
City Manager

Attachments:

1. Request for Proposal – Temporary Emergency Shelter and Operator
2. Illumination Foundation Response to Proposal (redacted)
3. Salvation Army Response to Proposal (redacted)