



City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: Planning and Development Services

Meeting Date: June 19, 2023

Report #:2305-1531

TITLE

Approval of Contract Number C23187284 with Michael Baker International (MBI) for a Not-to Exceed Amount of \$211,310 to Provide Administration and Consulting Services for the City's Community Development Block Grant (CDBG) Program for a Term of Two-years Through June 2025. Environmental Assessment: Exempt in Accordance with CEQA Guidelines Section 15061(b)(3).

RECOMMENDATION

Staff recommends that the City Council:

Approve and authorize the City Manager or their designee to execute Contract C23187284 with Michael Baker International for a not-to exceed amount of \$211,310 to provide administration and consulting services for the City's Community Development Block Grant (CDBG) Program for a term of two-years through June 2025, with the option of a third-year renewal.

EXECUTIVE SUMMARY

On February 15, 2023, a request for formal proposals (RFP) was posted on the PlanetBids Vendor Portal for administration and consulting services for the City's Community Development Block Grant (CDBG) Program. The solicitation period was held for 20 days, with proposals due on March 7, 2023. The City received two proposals: 1) Michael Baker International (MBI) and 2) California Consulting.

After a thorough review of the proposals, Michael Baker International was selected based on their extensive CDBG-specific experience and overall quality and responses in their proposal. MBI addressed all the requirements outlined in the RFP.

BACKGROUND

Since November 2021, the City has been relying on consultant services to administer the CDBG program. Prior to this time, the City had a permanent part-time staff person fulfilling this role

augmented with ongoing consultant support. Michael Baker International was assisting the City prior to the departure of CDBG staff specialist, and the firm has continued to work and expanded its scope to a comprehensive program management role. With the selection of MBI, administration of the CDBG program will continue uninterrupted.

The term of the City's current one-year contract with MBI will end June 30, 2023 and, in anticipation of this, the City released an RFP for CDBG Administration in February 2023. The RFP was for full CDBG program management for a two-year term with the option to renew for a third year.

The Planning and Development Services Department does not have the experienced staffing resources needed to fully manage the CDBG program. The CDBG program regulations and requirements are complex and require a thorough understanding of federal regulations, program guidelines, and reporting requirements. The consultant administering the program should be able to ensure compliance with these requirements, manage the grant budget, and monitor the progress of the funded projects. In addition, the consultant is expected to have knowledge of best practices in community development, including affordable housing development, economic development, and infrastructure improvements. Overall, administering the CDBG program requires a combination of technical expertise and knowledge of community development principles.

CDBG Program Summary

The CDBG program is a federal program that provides funding to local and state governments for community development activities. The program was created by the Housing and Community Development Act of 1974 and is administered by the Department of Housing and Urban Development (HUD). The primary objective of the CDBG program is to provide affordable housing, improve living conditions, and create economic opportunities for low- and moderate-income households. The program provides grants to eligible communities to support a wide range of activities, including infrastructure development, public facilities and services, and job creation.

For more information about the City's CDBG program and activities, please visit: www.cityofpaloalto.org/cdbg.

ANALYSIS

The City needs consultant services to provide CDBG program administration assistance to maintain and carry forward the program. Currently, the City does not have the appropriate staffing resources to fulfill this role successfully. Approval of this contract will provide the City with continuity of services for up to three years. During this fiscal year, the City engaged in preliminary discussions to potentially transition the CDBG program administration to Santa Clara County. In FY 2024, staff will continue to explore this option, and if it presents as a viable path forward, staff will return to City Council for discussion.

PROCUREMENT PROCESS

A RFP for the project was posted on the PlanetBids, the City's eProcurement platform, and 1,250 vendors were notified. The solicitation period was for 20 days and closed on March 7, 2023. Staff received two proposals for evaluation.

Table 1: Summary of Request for Proposal	
<i>Proposal Description</i>	RFP 187284 CDBG Program Administration
<i>Proposed Length of Project</i>	2 Years, option for an additional year
<i>Number of Vendors Notified</i>	1,250
<i>Number of Proposal Packages Downloaded</i>	43
<i>Total Days to Respond to Proposal</i>	43
<i>Pre-Proposal Meeting</i>	No
<i>Pre-Proposal Meeting Date</i>	NA
<i>Number of Proposals Received</i>	2
<i>Proposal Price Range</i>	\$6,100 - 211,310
<i>Public Link to Solicitation</i>	https://pbsystem.planetbids.com/hub/bm/bm-detail/101884

In the consultant selection process, a heavy emphasis was placed on expertise with CDBG program administration as well as a breadth of services. As noted above, the City relies on this consultant to handle the complex federal regulations and requirements, program guidelines, and reporting requirements to ensure compliance with annual funding allocations and grants. MBI's proposal met the evaluation criteria identified in the RFP and was identified as the best candidate for assisting the City based on the criteria for experience with CDBG procedures and technical expertise with CDBG program administration. Although the second proposal was significantly lower in cost, it did not adequately address the specific needs outlined in RFP requirements, nor did it demonstrate sufficient experience and knowledge in CDBG administration. Due to its complexity, the program requires a depth of understanding and experience to successfully adhere to the federal regulations and guidelines. Failure to meet strict requirements could result in the City refunding the federal government using General Fund. MBI has established experience with CDBG administration and submitted a comprehensive proposal that fully addressed service requirements.

For additional details on the services to be provided by MBI, please see Attachment A.

FISCAL/RESOURCE IMPACT

There are no anticipated impacts to the City's general fund with the approval of this contract. The administration of the CDBG program has historically been funded by the CDBG entitlement grant. The contract with MBI will continue to be funded by the CDBG federal funding.

Staff will include funding for the second year and possibly the third year in the respective future year's budget.

ENVIRONMENTAL REVIEW

The approval of an agreement for administrative and consulting services is not an action subject to environmental review under the California Environmental Quality Act.

ATTACHMENTS

Attachment A: Contract with Michael Baker International, C23187284

APPROVED BY:

Jonathan Lait, Planning and Development Services Director