

February 7, 2023

R-20

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt Specifications RFP No. HE22-158 and award a contract to HOME EC, Inc., dba Connect Homes, of Los Angeles, CA, to provide the design, manufacturing, delivery, and installation of 30 to 35 modular non-congregate shelter units to safely house people experiencing homelessness at the Long Beach Multi-Service Center (MSC), located at 1301 W 12th Street, in the amount of \$2,318,419 with a 10 percent contingency in the amount of \$231,842, for a total amount not to exceed \$2,550,261 for a period of two years, with the option to renew for three additional one-year periods, at the discretion of the City Manager; and, authorize the City Manager, or designee, to execute all necessary documents to enter into the contract, including any necessary amendments; and,

Increase appropriations in the Health Fund Group in the Health and Human Services Department by \$5,616,752, offset by grant revenue. (District 9)

DISCUSSION

City Council approval is requested to enter into a contract with HOME EC Inc. (HOME EC), dba Connect Homes to provide the design, manufacturing, delivery, and installation of 30 to 35 modular non-congregate shelter units at the Long Beach Multi-Service Center (MSC), located at 1301 W 12th Street, to provide interim or temporary housing for people experiencing homelessness.

On September 9, 2021, the State of California Department of Housing and Community Development (HCD) released a Notice of Funding Availability (NOFA) for approximately \$1.45 billion in grants as part of the Homekey Program (Homekey) Round 2. The program continues a statewide effort to rapidly sustain and expand housing for persons experiencing homelessness or at risk of homelessness and impacted by COVID-19 by partnering with local entities to acquire and rehabilitate a variety of housing types. Eligible grant activities include acquisition or rehabilitation of motels and hotels in support of those experiencing homelessness.

Upon notification of potential availability of Homekey funds and considering the extensive need for interim and permanent housing opportunities within the City of Long Beach (City), the City's Affordable Housing Workgroup, comprised of representatives from the City Manager's Office, Development Services, Health and Human Services, and Economic Development Departments, discussed possible opportunities to leverage these funds. The City team identified the modular non-congregate shelter project (i.e., "Tiny Homes") as a high priority due

to the immediate need for interim housing, relatively low cost, synergies with existing homeless services, and the potential to pilot a model for future implementation in other locations.

On April 19, 2022, the City Council authorized an agreement with HCD for the Homekey grant application and award of grant funds for the Tiny Homes project. On June 28, 2022, the City was notified that it had been awarded \$5,616,752 for the modular non-congregate shelter project. All funds not earmarked for the vendor contract will be used to sustain the operational costs of the program. It is estimated that the annual cost to operate the program will be \$930,818. The Homekey grant is estimated to cover three years of ongoing operations. To sustain operations after Homekey grant funding is exhausted and the grant term has expired, the City plans to leverage other State grant funds of the program including the HOME Investment Partnerships American Rescue Plan Program (HOME-ARP) and Homeless Housing, Assistance and Prevention (HHAP) Round 3 and 4 Program funds.

The Request for Proposals (RFP) No. HE22-158 was advertised in the Long Beach Press Telegram on October 26, 2022, and 78 potential proposers were notified of the RFP opportunity. Of those proposers, 15 downloaded the RFP via the City's electronic bid system. The RFP document was made available from the Purchasing Division, located on the sixth floor of City Hall, and the Division's website at www.longbeach.gov/purchasing. An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 130 local, minority-owned, and women-owned business groups. There were four proposals received on November 23, 2022. Of those four proposers, none were Minority-owned Business Enterprises (MBEs), none were Women-owned Business Enterprises (WBEs), one (1) was certified Small Business Enterprises (SBEs), and none were a Long Beach vendor (Local). The selection committee determined that HOME EC Inc., dba Connect Homes, of Los Angeles, CA, was the most qualified firm to provide the services as they best met the RFP criteria, including reasonableness of costs, experience in performance of comparable engagements, and expertise and availability of key personnel.

To align with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the Long Beach Buys database to download RFP specifications. Through outreach, eleven (11) Long Beach vendors were notified to submit proposals, of which four (4) downloaded and none submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Anita Lakhani on January 20, 2023, Purchasing Agent Michelle Wilson on January 12, 2022, and by Revenue Management Officer Geraldine Alejo on January 17, 2023.

TIMING CONSIDERATIONS

City Council action to adopt specifications to RFP No. HE22-158 and award a contract concurrently is requested on February 7, 2023, to ensure the contract is in place expeditiously.

EQUITY LENS

The City has incorporated the Equity Toolkit and strategies outlined in the Everyone Home Long Beach plan into this recommendation as requested by the City Council. This recommendation will assist people experiencing homelessness in Long Beach by providing critical resources including interim shelter, with the goal of housing stability.

FISCAL IMPACT

The total contact amount will not exceed \$2,550,261, inclusive of a 10 percent contingency, for the design, manufacturing, delivery, and installation of the modular shelter units. Following installation, the City will be responsible for annual operating and programming costs estimated at \$930,818. Ongoing costs include utilities, maintenance, food, and additional staffing. Project Homekey grant funding in the amount of \$5,616,752 will support the contract amount, in addition to an estimated three years of operations. The Project Homekey grant award is not currently appropriated. An appropriation increase of \$5,616,752 is requested in the Health Fund Group in the Health and Human Services Department, offset by grant revenue. This grant does not have a required match or in-kind service mandate. Additional funding beyond the Project Homekey grant award will be required for ongoing operating and programming costs following the initial three years. Staff will utilize other available grant awards and will continue to seek additional funding opportunities to support these costs. This recommendation has a minimal staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



KELLY COLOPY
DIRECTOR
HEALTH AND HUMAN SERVICES

APPROVED:



THOMAS B. MODICA
CITY MANAGER