

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: May 27, 2011

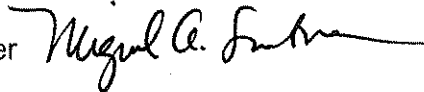
CAO File No. 0150-09575-0000

Council File No. 10-1610

Council District: 1, 6, 9, 11, 13, 15

To: The Mayor  
The Council

From: Miguel A. Santana, City Administrative Officer



Reference: Transmittal from the Community Development Department dated April 20, 2011; Received by the City Administrative Officer on April 28, 2011

Subject: **APPROVAL OF DAY LABORER PROGRAM SERVICE PROVIDERS FOR PROGRAM YEAR 2011-12 AND RELATED ACTIONS**

### SUMMARY

In November 2010, the Council and Mayor authorized the Community Development Department (CDD) to release a Request for Proposals (RFP) for the selection of contractors to operate day laborer sites and provide support services under the City's Day Laborer Program (DLP) (C.F. 10-1610). The CDD released the RFP in January 2011 and has completed the selection process. The CDD requests approval of the results of the RFP and the authority to negotiate and execute agreements with three service providers to operate eight Day Laborer Centers (Centers). The Community Action Board (CAB) approved the results of the RFP on May 12, 2011. We recommend approval for CDD to negotiate and execute contracts with the three proposed contractors for the eight sites that substantially conform to the scope of services of the RFP subject to the final allocation of CDBG funding, the review and approval of the City Attorney as to form and legality and compliance with City contracting requirements and grant regulations. The day laborer sites and proposed contractors are as follows:

| <u>Council District</u> | <u>Day Laborer Center</u> | <u>Proposed Contractor</u>                                     |
|-------------------------|---------------------------|--|
| 1                       | Cypress Park              | Instituto de Education Popular del Sur de California (IDEPSCA) |
| 9                       | Downtown Los Angeles      | IDEPSCA  |
| 15                      | Harbor City               | IDEPSCA  |
| 13                      | Hollywood                 | IDEPSCA  |
| 6                       | North Hollywood           | Youth Policy Institute (YPI)                                   |
| 6                       | Van Nuys                  | YPI  |
| 1                       | Westlake                  | Central American Resource Center of California (CARECEN)       |
| 11                      | West Los Angeles          | IDEPSCA  |

The proposed total contract amount is up to \$1,061,695. Funding is provided from Community Development Block Grant (CDBG) allocations in the Program Year 2011-12 (37<sup>th</sup> Year) Consolidated Plan (Consolidated Plan) approved by Council and Mayor in March 2011 (C.F. 10-2440). The contractors will

comply with the Mayor and Council actions in C. F. 10-2440 which stipulate that contractors may expend up to 50 percent of the allocated funding between April 1, 2011 and September 30, 2011, unless a waiver is approved to exceed this amount.

The proposed contract term for each contractor is an initial one-year period effective April 1, 2011 through March 31, 2012, with an option to extend for two additional one-year terms. The contract term in this report modifies that which is referenced in a transmittal from CDD, dated April 20, 2011 (Transmittal). The Transmittal stated an initial contract term of 10 months (June 1, 2011 through March 30, 2011). A separate report or Motion has not been submitted to the Council and Mayor to provide contracting authority for the period of April 1, 2011 through May 31, 2012 as CDD had anticipated.

The City provided funding for 10 day laborer sites in 2010-11 including the eight sites that are discussed in this report. The remaining two sites (Chesterfield [CD 8]) and Canoga Park [CD 3]) were not included in the RFP. The City does not currently organize day laborer activities at these two sites pending the resolution of issues regarding program operations and leasing. Should the Canoga Park and Chesterfield sites become operational during 2011-12, CDD will need to identify funding through reprogramming for prior CDBG and General Fund savings, a CDBG allocation in the 38<sup>th</sup> Year Consolidated Plan or other sources. Details on the RFP, scope of work, contractor selection and DLP evaluation processes are provided in the Background Section of this report.

## **Background**

### Day Laborer Program

The City's primary interest in creating the DLP is to protect the rights of residents, businesses and individual workers and provide an organized safe and reliable environment for day laborer transactions. The contractors provide basic amenities, mediation and organization services to the workers. There are currently three day laborer contractors performing services at eight Centers. The CDD serves as the administrative entity for contractor compliance and evaluation of the DLP.

### Request for Proposals

The CDD released the RFP on January 7, 2011 with a submission deadline of February 11, 2011. The RFP was posted on CDD's website and on the Los Angeles Business Virtual Network website. The CDD provided technical assistance at a Proposer's Conference held on January 20, 2011. In addition, CDD posted addendums to the RFP and all questions and answers received at the conferences and through email on the CDD website. The RFP included details on the requirements for eligible proposers, the scope of work, available funding, the appeals process and the City's contracting requirements.

### Scope of Work

The RFP solicited proposals from agencies that are eligible to be certified as Community Based Development Organizations (CBDO). Applicant agencies were required to describe how they will provide DLP program components at each site and in the surrounding community which include but are not limited to the following:

1. Day Laborer Core Services such as outreach, multi-benefit screening, information and referral; pre-employment and employment support, job placement and other supportive services.
2. Professional Services and Operations such as providing staffing to operate the site, developing a system of fair distribution of jobs and collecting data on program activities.
3. Area Mediation to respond to concerns from residents and other stakeholders in the community regarding the Centers.

### Contractor Selection Process

The CDD received proposals from three agencies to operate eight sites by the submittal deadline. IDEPSCA submitted a proposal to operate seven sites, YPI submitted a proposal to operate two sites and CARECEN submitted a proposal to operate one site. IDEPSCA and YPI submitted proposals to operate the North Hollywood and Van Nuys sites.

CDD conducted a first level review of the proposals and determined that each proposal met the minimum eligibility requirements of the RFP. A three-member Evaluation Team (Team) comprised of representatives from CDD and outside agencies conducted the second level review based on the following criteria: (1) Demonstrative Ability (25 points), (2) Program Design and Approach (50 points), and (3) Resource Allocation and Cost Reasonableness (25 points). Each proposal was required to achieve a minimum of 70 out of 100 points.

The proposals received scores that ranged between 85 and 91 points. Proposers were notified of the RFP results and the appeals process on March 21, 2011. No appeals were received by the deadline of March 25, 2011. The proposed Service Plan for each contractor is summarized in the Attachment to this report.

### Funding

Funding for DLP is provided under the CBDO funding category within CDBG. The 2011-12 DLP budget is \$1,061,695 and is solely from CDBG. CDBG funding is reduced by \$144,777 or 12 percent from the prior year amount of \$1,206,472 due to reductions in the City's allocation. The total DLP funding for 2010-11 was \$1,303,969: \$1,206,472 from CDBG and \$97,197 from the General Fund. If the recommendations in this report are approved, the number of service providers for 2011-12 will remain the same as that of 2010-11. The total contract amount is subject to the City's final CDBG allocation from the 2011 federal budget and future Council and Mayor actions. Funding for each site is based on the needs of the Center and the proposed services in the contractor's Service Plan.

### Contractor Evaluation

The selected agencies must be certified annually as a CBDO. In addition, the CDD will conduct regular monitoring and fiscal audits of each contractor for compliance with contract performance goals and grant requirements. Contractors will be required to collect and maintain electronic records of day laborers and submit these records to CDD on a monthly basis. Continued funding and renewal of each contract will be based on successful completion of performance goals. Renewal for each additional year will be managed through CDD's Request for Contract Renewal Process.

The RFP stated that each contractor will be required to serve a minimum of 500 unduplicated customers at each Center for each program year and secure a minimum of 3,200 temporary or seasonal jobs by duplicated customers. These figures will be amended to reflect the funding reduction and performance figures will be negotiated.

The recommendations in this report comply with the City Financial Policies in that federal grant funding is available for the proposed contracts. Continuation of the DLP is subject to the availability of future grant funds and/or Council and Mayor actions. The City Administrative Officer and the Chief Legislative Analyst will report back to Council and Mayor on the final and official entitlement allocations for the Consolidated Plan as instructed in C.F. 10-2440. Additional information on the RFP process, evaluation criteria, selected contractors and proposal scores is provided in the Transmittal which is available on the City's internet website at [www.cityclerk.lacity.org](http://www.cityclerk.lacity.org), Council File Management System, (C. F. 10-1610).

**RECOMMENDATIONS**

That the Council, subject to the approval of the Mayor:

1. Approve the results of the Day Laborer Program (DLP) Request for Proposals (RFP) for Program Year 2011-12 issued in January 2011 and a total amount of up to \$1,061,695 for three agencies and eight Day Laborer Centers (Centers) as follows:

| <u>Proposed Contractor</u>                                     | <u>Day Laborer Center</u> | <u>Contract Amount</u> |
|--|---------------------------|------------------------|
| Instituto de Education Popular del Sur de California (IDEPSCA) | Cypress Park              | \$121,684              |
| IDEPSCA  | Downtown Los Angeles      | 161,164                |
| IDEPSCA  | Harbor City               | 136,257                |
| IDEPSCA  | Hollywood                 | 128,414                |
| Youth Policy Institute (YPI)                                   | North Hollywood           | 136,154                |
| YPI  | Van Nuys                  | 121,254                |
| Central American Resource Center of California (CARECEN)       | Westlake                  | 121,804                |
| IDEPSCA  | West Los Angeles          | 134,964                |
|  | <b>Total</b>              | <b>\$1,061,695</b>     |

2. Authorize the General Manager, Community Development Department (CDD), or designee, to negotiate and execute agreements with the three agencies listed in Recommendation No. One of this report to provide services at the eight Centers as listed that are substantially in conformance with the scope of services for the RFP, at the City's sole discretion, contingent on available funding and contractor performance, for an initial term of one year retroactive to April 1, 2011 through March 31, 2012, with an option to renew for two additional one-year terms and subject to the review and approval of the City Attorney as to form and legality, contingent on certification as a Community Based Development Organization and compliance with City contracting requirements and grant regulations; and,
3. Authorize the General Manager, CDD, or designee to prepare Controller instructions and/or make technical adjustments that are consistent with the actions on this matter, subject to approval of the City Administrative Officer, and instruct the Controller to implement these instructions.

**FISCAL IMPACT STATEMENT**

There is no additional impact on the General Fund. Approval of the recommendations in this report authorizes the Community Development Department to negotiate and execute contracts with three contractors for the 2011-12 Day Laborer Program at eight sites throughout the City for an amount up to \$1,061,695 contingent on available funding and other requirements. Funding for the contracts and related administrative costs is provided from Community Development Block Grant funds in the 37<sup>th</sup> Year Consolidated Plan. The recommendations are in compliance with City Financial Policies in that federal grant funding is available for the proposed contracts.