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Title: CONSIDER APPROVAL OF AMENDMENT NO. 2 TO A CONTRACT SERVICES AGREEMENT WITH DHA CONSULTING, LLC TO CONTINUE PROVIDING POST-REDEVELOPMENT DISSOLUTION SERVICES IN CONNECTION WITH AGENCY REGULATORY OBLIGATIONS (SUCCESSOR AGENCY)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit No. 1 - Proposed DHA Contract Amendment No. 2

Date	Ver.	Action By	Action	Result
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Report to Successor Agency

Tuesday, November 19, 2019

Consent

SUBJECT:

CONSIDER APPROVAL OF AMENDMENT NO. 2 TO A CONTRACT SERVICES AGREEMENT WITH DHA CONSULTING, LLC TO CONTINUE PROVIDING POST-REDEVELOPMENT DISSOLUTION SERVICES IN CONNECTION WITH AGENCY REGULATORY OBLIGATIONS (SUCCESSOR AGENCY)

I. SUMMARY

The Carson Successor Agency (“Agency”) Board is being asked to approve the Amendment No. 2 to Contract Services Agreement (“Amendment No. 2”) by and between the Agency and DHA Consulting, LLC (“DHA”) for the continuance of post-redevelopment dissolution services in connection with Agency regulatory obligations (Exhibit No. 1). Tasks performed by DHA currently include assistance with the preparation of Agency reports, Recognized Obligation Payment Schedules (“ROPS”), Prior Period Payment Report (“PPA”), tax increment revenue analysis and projections, continuing disclosure compliance for Agency Tax Allocation Bonds and other related services as requested. Due to the specialized nature of the work, reliance on consultants to assist the Agency with ongoing obligations is necessary. DHA processes the required expertise as well as the institutional

knowledge of former Carson Redevelopment Agency matters best suited to assist the Agency's needs. As such, the City Council can make a finding that DHA meets the definition of "*Sole Source Purchasing*" under the Carson Municipal Code.

Staff is requesting the waiver of bidding requirements and approval of the proposed Amendment No. 2 to extend the term through June 30, 2023. The proposed Amendment No. 2 would increase the maximum contract amount by an additional \$60,000 to cover the 3.5 year term extension. If approved as recommended, the contract maximum not-to-exceed amount would total \$119,000 from July 1, 2016 to June 30, 2023. Costs performed under this contract are paid entirely from Agency ROPS funding, approved annually by the Countywide Oversight Board and the State of California's Department of Finance ("DOF").

II. RECOMMENDATIONS

TAKE the following actions:

1. DETERMINE DHA Consulting, LLC to be a sole source vendor as authorized under Carson Municipal Code Section 2611(e) ("*Sole Source Purchasing*");
2. WAIVE the bidding requirements in Chapter 6 ("*Purchasing System*") of Title II of the Carson Municipal Code, pursuant to Carson Municipal Code Section 2611(e) ("*Sole Source Purchasing*");
3. APPROVE Amendment No. 2 to the Contract Services Agreement with DHA Consulting, LLC to extend the contract term through June 30, 2023 in the additional amount of \$60,000, for a total not-to-exceed amount of \$119,000; and
4. AUTHORIZE the Agency Chairman to execute the Amendment No. 2 following approval as to form by the Agency Counsel.

III. ALTERNATIVE

TAKE any other action the Agency Board deems appropriate.

IV. BACKGROUND

Since 2002, DHA has provided a wide array of municipal finance services and specialized expertise to Carson including services to the former Carson Redevelopment Agency, Carson Successor Agency, Carson Housing Authority, and City of Carson. Diane Hadland is the president and sole member of DHA. She consistently provides excellent guidance to the Agency and has been instrumental in providing institutional knowledge and familiarity with former Agency matters to assist with staff changes in both the Community Development and Finance Departments. As a result of DHA's recommendations, the Agency has also saved and secured significant funding in the annual ROPS process from the DOF.

The scope of DHA's Agency contract includes the following:

- **Recognized Obligation Payment Schedule or ROPS.** DHA provides guidance to the Agency throughout the ROPS process, including preparing the bond debt service

portion of the ROPS, reviewing the completed ROPS and assisting in answering questions from DOF.

- **Meet and Confer.** If the Agency disagrees with the DOF's determination on a particular ROPS, a "Meet and Confer" appeal process is initiated. DHA prepares the formal paperwork for the appeal document, which outlines the nature of the Agency's dispute with DOF's position on certain ROPS items.
- **Prior Period Payment Report or PPA.** This report shows Agency expenditures for the prior fiscal year. DHA reviews the report and participates in answering any questions posed by the County and/or DOF.
- **Continuing Disclosure.** DHA assist the Agency to report certain revenues and expenditures on Agency bonds issued to bondholders on an annual basis.
- **Other Items, as Requested.** Other Agency consulting services are provided on an as needed, as requested, basis.

Waiver of Bidding Requirements

Staff recommends waiving the bidding requirements in Chapter 6 ("Purchasing System") of Title II of the Carson Municipal Code (C.M.C), pursuant to the exemption in C.M.C. Section 2611(e) which reads as follows:

"Sole Source Purchasing. The City Manager may dispense with this Chapter's bidding requirements if he or she finds that the materials, supplies, equipment, or services are unique because of their quality, durability, availability, or fitness for a particular use and are available only from one (1) source, or, if available from more than one (1) source, can be purchased from the manufacturer or service provider for a lower price. If the cost of such sole source purchasing is \$25,000 or greater, then the City Council's approval shall be required."

Given DHA's institutional knowledge of former Carson Redevelopment Agency matters, staff believes that the above cited section of the Carson Municipal Code is applicable and that a determination that DHA is a "sole-source" provider of the services being sought is justifiable. Another vendor would not be able to provide the knowledge uniquely possessed by DHA to effectively and efficiently carry out the needs of the Agency. This familiarity has proven helpful to transition new staff to carry out post-redevelopment functions involving former Agency regulatory obligations.

V. FISCAL IMPACT

Amendment No. 2 extends the contract term by 3.5 years to June 30, 2023 and would cost up to an additional \$60,000, paid entirely by the Agency's ROPS. The Agency's ROPS is approved every fiscal year by the County Oversight Board and the DOF. Sufficient funds have been approved and are included as part of Agency's 2019-2020 Budget under Account No. 783-70-720-101-6004 (CD Operations Professional Services).

VI. EXHIBIT

1. Proposed DHA Contract Amendment No. 2 (pgs. 4-13)

Prepared by: James Nguyen, Project Manager