



Legislation Text

File #: 2019-321, Version: 1

Report to Mayor and City Council

Tuesday, April 02, 2019

Consent

SUBJECT:

CONSIDER APPROVAL OF AMENDMENT NO. 1 TO THE AGREEMENT WITH MDG ASSOCIATES, INC. TO PROVIDE CDBG GRANT-FUNDED PROGRAM ADMINISTRATION SERVICES (CITY COUNCIL)

I. SUMMARY

On July 1, 2018, the City entered into a five-year agreement with MDG Associates, Inc. (MDG) to provide Community Development Block Grant (CDBG) grant-funded program services (Exhibit No. 1), primarily related to the Neighborhood Pride Program (NPP) and the Commercial Façade Program (CFP). This contract essentially dedicates a full time staff member to administer the work write-up, contractor selection and construction inspection portion of the NPP. Furthermore, a part-time (as needed) staffer provided the same services for the CFP.

In September 2018, the City staff member who provided administrative functions for the CDBG program retired and the position is not planned to be refilled. The functions of this position were very technical in nature and included monitoring expenditures, program changes, updates in state and federal (HUD) reporting websites, and fiscal monitoring. Upon retirement of the City staff member, the Community Development Director requested MDG to provide a part-time MDG staff to fill the gap in service so that there was no lapse in reporting that could put continuation of the grant funding at risk. As an offset for the additional work, the Director reduced the hours of the full time MDG staff by 25 percent. The proposed contract amendment adds a total of \$154,200 to the contract over 5 years. However, not refilling the retired CDBG staff (savings of \$129,043 per year) and a 25% reduction in the hours of another MDG staff (savings of \$47,500 per year) would actually save the City \$491,105 over the life of this 5-year contract including \$131,825 in savings to CDBG and \$359,190 in savings to the General Fund.

Staff is requesting that Council approve Amendment No. 1 to the agreement with MDG Associates, Inc. to provide the administrative functions required by the CDBG grant.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE Amendment No. 1 to the CDBG grant-funded program administrative services agreement with MDG Associates, Inc.
2. AUTHORIZE the Mayor to execute the amendment, following approval as to form by the City Attorney.

III. ALTERNATIVES

TAKE any other action that Council deems appropriate and is within the requirements of law.

IV. BACKGROUND

On July 1, 2018, the City entered into an agreement with the firm MDG Associates, Inc. (MDG) to provide Community Development Block Grant (CDBG) grant-funded program administrative services. These services were primarily targeted for the Neighborhood Pride Program (NPP) and the Commercial Façade Program (CFP), as these programs require specialized knowledge of construction and contracting and experience that is not generally within the job scope of City staff positions.

Due to the retirement of the City staff member that was responsible for the administrative oversight of the CDBG grant, there was an immediate need to provide grant oversight and management to ensure that the City remained in compliance with grant requirements. MDG was able to assist with this in providing a highly qualified Senior Associate who was able to step in and contribute valuable expertise in grant application requirements, grant guidelines, fiscal reporting, monitoring and program administration.

MDG has been providing high quality community development consulting services to municipal agencies and private clients for over 27 years. In addition to grants management services, MDG also provides administration and implementation services of housing and commercial rehabilitation programs, labor compliance monitoring, urban planning, architectural design and project management services. Their highly qualified professional staff has expertise in all aspects of CDBG and HOME Investment Partnerships (HOME) program administration, implementation and financial management of grants funded through HUD's Community Planning and Development (CPD) Programs.

Staff requests that Council approve Amendment No. 1 to the agreement with MDG Associates, Inc. to provide the administrative functions required by the CDBG grant and approve additional funds per Budget Resolution No. 19-073 (Exhibit No. 3).

V. FISCAL IMPACT

The proposed contract amendment adds a total of \$154,200 to the contract over 5 years.

However, not refilling the retired CDBG staff (savings of \$129,043 per year) and a 25% reduction in the hours of another MDG staff (savings of \$47,500 per year) would actually save the City \$491,105 over the life of this 5-year contract including \$131,825 in savings to CDBG and \$359,190 in savings to the General Fund.

Existing Contract vs. Proposed Contract						
	FY 18/19 (Year 1)	FY 19/20 (Year 2)	FY 20/21 (Year 3)	FY 21/22 (Year 4)	FY 22/23 (Year 5)	Total
Approved Contract	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 190,000	\$ 950,000
Savings from 25% Reduction of NPP MDG Staff	\$ 32,000	\$ 47,500	\$ 47,500	\$ 47,500	\$ 47,500	
Cost of Adding MDG Senior Associate	\$ 57,000	\$ 79,800	\$ 79,800	\$ 79,800	\$ 79,800	
Proposed Contract	\$ 215,000	\$ 222,300	\$ 222,300	\$ 222,300	\$ 222,300	\$ 1,104,200
Proposed Increased Contract Amount	\$ 25,000	\$ 32,300	\$ 32,300	\$ 32,300	\$ 32,300	\$ 154,200

Savings Realized by General Fund and CDBG						
	FY 18/19 (Year 1)	FY 19/20 (Year 2)	FY 20/21 (Year 3)	FY 21/22 (Year 4)	FY 22/23 (Year 5)	Total
Total Annual Salary and Benefits Savings General	\$ 71,838	\$ 71,838	\$ 71,838	\$ 71,838	\$ 71,838	\$ 359,190
Annual Salary Savings CDBG	\$ 57,205	\$ 57,205	\$ 57,205	\$ 57,205	\$ 57,205	\$ 286,025
Annual Increase in Contract Amount paid by CDBG	\$ 57,000	\$ 79,800	\$ 79,800	\$ 79,800	\$ 79,800	\$ 376,200
CDBG Savings from 25% Reduction of hours for NPP MDG Staff	\$ 32,000	\$ 47,500	\$ 47,500	\$ 47,500	\$ 47,500	\$ 222,000
Total Annual CDBG Savings	\$ 32,205	\$ 24,905	\$ 24,905	\$ 24,905	\$ 24,905	\$ 131,825
Total Savings	\$ 104,043	\$ 96,743	\$ 96,743	\$ 96,743	\$ 96,743	\$ 491,015

VI. EXHIBITS

1. Contract Services Agreement with MDG Associates, Inc. (pgs. 4-32)
2. 1st Amendment to Contract Services Agreement with MDG Associates, Inc. (pgs. 33-39)
3. Budget Resolution No. 19-073. (pgs. 40-41)

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