



Date: December 3, 2019

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Reginald J. Johnson, Director
Community Development Department
Subject: Contract Amendment for CDBG Contract with Urban Ministries of Durham

Executive Summary

On December 17, 2018, City Council approved a contract for a total of \$90,000 with Urban Ministries of Durham (UMD). The contract awarded UMD Community Development Block Grant (CDBG) funds for the provision of case management services to homeless people. The original contract was signed on February 13, 2019 with an original contract term of January 1, 2019 to December 31, 2019. The Community Development Department (CDD) seeks to amend the original contract to:

1. Extend the contract period of performance to February 29, 2020;
2. Clarify the scope of work to be provided so that group case management services may be billed to the contract; and
3. Remove the requirement for the provision of matching funds.

Recommendation

The Community Development Department (CDD) recommends that the City Council approve an amendment with Urban Ministries of Durham to extend the contract period by two months, to remove the match requirement, and to allow support groups to be billed.

Background

Annually, UMD provides emergency shelter to approximately 700 single adults and 30 families experiencing homelessness. The original contract provided CDBG public services funds to support UMD's case management services to a minimum of 500 single adults during the contract period. This was the first time CDD awarded UMD CDBG funds to pay for case management services.

Issues/Analysis

UMD has experienced a number of challenges in implementing a case management contract using CDBG funds for the first time:

1. The contract's Scope of Work requires using the Homeless Management Information System (HMIS) to log and track case management activity. Prior to the signing of this contract UMD's case managers had not been using the HMIS to record their case management activities. After the contract was signed it took UMD longer than expected to train the case managers in the use of the HMIS and to standardize its HMIS data entry procedures for the contract. As a result, though case management was being done, much of it in the first several months of the year could not be billed to the contract due to the longer than expected time it took to implement the new processes.

2. Some of the case management work was being done in group settings and did not precisely align with the language in the contract's Scope of Work and was not able to be billed to the contract.
3. Federal regulations do not require that CDBG funds be matched by the City or its sub-recipients. However, CDD required a 1-to-1 match in its request for proposals and this provision was included in the original contract. UMD expected to use the work completed by social work interns as its match, but the organization had fewer social work interns than initially envisioned. While UMD has been able to provide a match for the submitted invoices through September 2019, it is doubtful that the organization will be able to continue to match the full amount of the contract.

In order to meet U.S. Department of Housing & Urban Development (HUD) spending requirements, the CDD needs UMD to spend the full amount of this contract as soon as possible. Accordingly, the CDD is requesting that the terms of the contract be modified as stated in the contract amendment.

Alternatives

City Council may elect not to authorize this contract amendment. In this event, UMD will not be able to expend the full amount of the contract prior to the contract end date. If the extension is not authorized there is a risk to CDD of having CDBG funds recaptured if not fully spent in a timely manner.

Financial Impact

Timely expenditure of these FY 2017-2018 CDBG funds is needed to enable CDD to meet federal requirements for the timely expenditure of CDBG funds. The contract amendment does not change the amount of CDBG funds allocated and available for this contract. If the amendment is not approved, it will more difficult for the CDD to meet the timeliness requirements for CDBG entitlement funds.

Equal Business Opportunity Summary

EBO requirements are not applicable as this item relates to an annual federal grant process. It was not reviewed by the Equity and Inclusion Department for compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

Attachment

Subrecipient Contract Amendment