Los Angeles Homeless Services Authority
Programs and Performance Management Department Communication

Date: October 17, 2019
To: Programs and Evaluations Committee
From: Daniel Fisher – Associate Director of Operations, Procurement and Performance Management
Kelli Pezzelle – Manager, Procurement
Cc: Peter Lynn, Executive Director
Heidi Marston, Chief Programs Officer
Emily Andrade, Director of Procurement and Performance Management
RE: Request to Extend Procurement Cycle, Evaluation, and Potential Redesign

Action Requested
Review and approve plan to extend all contracts that are currently scheduled to expire before 6/30/2022 until 6/30/2022 to allow time to further develop an enhanced procurement methodology. Contract extensions beyond our current three-year procurement cycle are contingent upon funder approval.

Background
Historically, the Los Angeles Homeless Services Authority (LAHSA) has re-procured homeless services funding every three years. At the end of the procurement cycle, contracts end, and agencies must reapply to continue providing services, sometimes resulting in critical changes in service providers across regions of the funded system. An abrupt change of service provider can disrupt the system and have a negative impact in the community, as current providers have established relationships in the community, employed staff, and often have entered into long-term leases on facilities. Simultaneously, LAHSA has a stated goal of broadening the provider base and while there are new agencies who are interested in utilizing LAHSA funding to provide homeless services, the current procurement schedule creates funding opportunities only every few years.

In recognition of the challenges presented by the need to create funding opportunities to on-board new providers addressing the current homelessness crisis, while protecting the infrastructural investments made with current good performing providers in the system, LAHSA has initiated the proposed procurement plan. LAHSA has included the efforts of LAHSA’s strategic planning consultant to ensure that the proposed procurement plan aligns with our goal to support the system, and LAHSA’s overall strategic planning timelines.

Finally, feedback from homeless service providers is one of the major drivers for reconsideration of the procurement process, particularly the desire to support sustaining and expanding the vital system infrastructure necessary to meet the goal of dramatically reducing homelessness.

Proposed Procurement Plan
LAHSA proposes to explore procurement approaches other than a three-year RFP cycle; therefore, the below timeframe for Phases 4 and 5 is subject to change, based on the results of Phases 1 – 3. Implementation of new procurement methodology would be done in phases, as described below,
to enable input from LAHSA Commissioners, system partners, service providers, and other system stakeholders, while maintaining LAHSA’s administrative obligations. LAHSA would like to explore incorporating elements of the HUD Continuum of Care (CoC) reallocation process into our procurement methodology.

Though the approval of this request would result in all contracts currently scheduled to end before June 30, 2022 ending at the same time, it is anticipated that the enhanced procurement methodology would adjust future timelines.

Request for Proposals (RFPs) during the implementation plan:
Any new and unallocated funds that LAHSA either received before this request or will receive during the implementation plan period will be allocated through an RFP. At this time, State HEAP funds for Access Centers and Access Points are scheduled to be allocated through the RFP process in FY 19/20.

Proposed Implementation Plan
LAHSA staff will present a status update to Commission at the end of each phase.

Phase 1: Exploration and Feedback – November 2019 – March 2020
- Request approval from funders on contract extensions
- Extend contracts
- Gather input from other cities, Continuums of Care, technical assistance providers, and local stakeholders on potential procurement methodologies (stakeholders will include LAHSA Commissioners, system partners, service providers, and lived experience groups)

Phase 2: Finalize Methodology – April 2020 – July 2020
- Use feedback to create and refine methodology
- Present methodology to local stakeholders for approval

Phase 3: Prepare Stakeholders and LAHSA Infrastructure – August 2020 – December 2020
- Incorporate procurement methodology data and workflows in development of LAHSA grant management system and other fiscal and data systems
- Finalize LAHSA internal infrastructure changes, train LAHSA staff
- Prepare service providers for change in procurement
- Provide trainings

Phase 4: Initial Implementation - January 2021 – July 2021 (Subject to Modification)
- Release RFP(s) with new methodology

Phase 5: Optimization and Iterative Enhancements – August 2021 - November 2021 (Subject to Modification)
- Gather stakeholder feedback on new methodology
- Release additional RFP(s)