Memorandum

DATE

October 31, 2008

TO

Members of the Economic Development Committee:
Ron Natinsky (Chair), Tennell Atkins (Vice Chair), Dwaine Caraway, Jerry R. Allen, Shellef Kadane, Mitchell Rasansky, Linda Koop, and Steve Salazar

SUBJECT

BAC Contract Renewal Update

Attached is the briefing material on the BAC Contract Renewal Update to be presented to the Economic Development Committee on Monday, November 3, 2008.

Please contact me if you need additional information.

[Signature]

A.Q. Gonzalez
Assistant City Manager

C: Honorable Mayor and Member of the City Council
   Mary K. Suhm, City Manager
   Deborah A. Watkins, City Secretary
   Tom Perkins, City Attorney
   Craig Kinton, City Auditor
   Judge C. Victor Lander, Judiciary
   Ryan S. Evans, First Assistant City Manager
   Ramon F. Miguez, P.E., Assistant City Manager
   Jill A. Jordan, P.E., Assistant City Manager
   Forest Turner, Interim Assistant City Manager
   Jeanne Chipperfield, Director, Budget & Management Services
   David K. Cook, Chief Financial Officer
   Karl Zavitkovsky, Director, Office of Economic Development
   Lee McKinney, Assistant Director, Office of Economic Development
   Hammond Perot, Assistant Director, Office of Economic Development
   Jiroko Rosales, Assistant Director, Office of Economic Development
   Helena Thompson-Stevens, Assistant to the City Manager
PURPOSE

☐ Update the Committee on the outstanding items of the October 2, 2008 briefing and recommendation for the contract award

☐ At the last meeting, the Committee was informed about:

- HUD’s monitoring visit
- Follow-up visits planning with HUD to discuss refinement of the Program
- Staff’s recommendation regarding the contracts for the management and operation of BACs for FY 2008-09
FOLLOW-UP

Since then, the City had two follow-up meetings with HUD to:

- Obtain concurrence on most appropriate National Objective
- Clarify eligibility requirements
- Clarify Documentation Requirements
- Define Reporting Requirements
- Refine forms to be used
FOLLOW-UP

Parties involved:

- Housing and Urban Development (HUD)
- Business Assistance Center (BAC) Managers
- Office of the City Manager
- Chief Financial Officer
- Budget and Management Services (BMS)
- City Auditor’s Office – Grant Compliance Group (GCG)
- The Office of Economic Development (OED)
RESULTS

- After hours of dialogue plus follow-up sub-committee work, clarification was achieved regarding:
  - National Objective for Technical Assistance and Incubators
  - Documentation Requirements
  - Reporting Requirements

- The requirements refer to two types of service provided by the BACs:
  - Technical Assistance (TA)
  - Incubators
RESULTS

☐ TA

- Self-certification for both
  - Individual
  - Group
- Self certification doesn’t require proof
- May serve Non-Low-to-Moderate (LMI) clientele, but may not use CDBG funding
RESULTS

- Incubators
  - Greater flexibility to meet one of the National Objective activities
    - Benefit to LMI Persons
    - LMI Area Benefit
    - LMI Job Creation
  - Clarification of requirements for each activity
    - Eligibility
    - Documentation
    - Reporting
- All parties agreed the above made sense, was achievable and would meet federal requirements
- BAC Contracts will be fashioned to meet new understanding
RESULTS

- For detail on the agreed terms for the BAC Program between the City and Hud, please refer to Appendix 1
FY 2007-08
BAC CONTRACT STATUS

- Contracts expired on September 30, 2008
- Contract expenditure reimbursement in progress pending documentation review and approval
2007-08 HUD MONITORING

- HUD monitoring for the BAC Program for FY 2007-08:
  - Conducted September 15th thru the 25th
  - Exit conference September 30th
  - HUD still collecting documents
  - HUD monitoring report preparation currently in progress
FY 2008-09 BAC CONTRACT

- $480,000 CDBG funding
  - Community Development Commission recommendation to City Council April 3, 2008
  - Consolidated Budget City Council approval June 25, 2008 CR08-1807
- Award for FY 2008-09 contracts pending
- Request for Competitive Sealed Proposals (RFCSP) issued July 31, 2008
- City received 8 proposals in response to RFCSP

(Refer to Appendix 2 for RFCSP Respondents Listing)
FY 2008-09 BAC CONTRACTS (OPTION 1)

- Divide the allocation of the $480,000 equally among the agencies that received a minimum of 75 points:
  - Agency 1: GDHCC $80,000
  - Agency 2: ICDC $80,000
  - Agency 3: GDHCC $80,000
  - Agency 4: GDHCC $80,000
  - Agency 5: MBA Consultants $80,000
  - Agency 6: GDAACC - MEED $80,000

(Refer to Appendix 3 for RFCSP Evaluation detail)
Divide the total allocation of $480,000 with reduced funding to respondents with at least 75 points and add a good faith award to new BAC service providers:

- Agency 1: GDHCC $70,000
- Agency 2: ICDC $70,000
- Agency 3: GDHCC $70,000
- Agency 4: GDHCC $70,000
- Agency 5: MBA Consultants $70,000
- Agency 6: GDAACC - MEED $70,000
- Agency 7: HCA $30,000
- Agency 8: GDIACC $30,000
RECOMMENDATION

☐ Recommend Option 1 for contract award
☐ Recommend contract award on November 12, 2008 City Council meeting
REFERENCE INFORMATION

☐ APPENDIX 1 – FY 2008-09 DETAILED HUD-CITY AGREEMENT
☐ APPENDIX 2 – RFCSP RESPONDENTS
☐ APPENDIX 3 – RFCSP SCORING
APPENDIX 1

FY 2008-09 DETAILED HUD-CITY AGREEMENT FOR BAC
NATIONAL OBJECTIVE – TA

- FY 2008-09 National Objective for Activities that benefit LMI persons - Technical Assistance (TA) provided by BACs is for:
  - Persons interested in starting a microenterprise business or
  - Microenterprise business owners
ELIGIBILITY – TA

Eligibility to receive microenterprise TA provided for LMI persons:

- live in the City of Dallas:
  - own the business or
  - want to start a businesses or
- live outside the City of Dallas:
  - intend on establishing the business in the City of Dallas
DOCUMENTATION REQUIREMENTS – TA

- Documentation requirements for eligible persons include:
  - Family income self-certification (valid for 3 years)
  - Client profile that includes information about their residence address and that of their existing/intended business location, ethnicity, race, services desired
  - BAC staff is requested to document
    - TA services provided to clients
      - Group
      - Individual
DOCUMENTATION REQUIREMENTS – TA

- New business created via follow-up with clients served during the program year
- CDBG funding to total BAC budgeted funding which establishes the goal of eligible clients it must serve to comply with the program’s national objective
- Staff activity and BAC operational and financial activity (i.e. sources and uses of funds both CDBG and Non-CDBG, program income in the form of fees,...)
REPORTING REQUIREMENTS – TA

☐ Reporting requirements for TA activity include:

■ Client Family Income Self-Certifications
■ Unduplicated listing of clients served (group and individual sessions)
■ Services provided to clients
■ New microenterprise businesses created resulting from technical assistance provided
NATIONAL OBJECTIVE - INCUBATORS

☐ National Objective options for activities that benefit LMI persons - BAC Program Incubator businesses that:

- Benefit LMI Persons
- Provide LMI Area Benefit
- Provide LMI Job Creation/Retention
ELIGIBILITY – INCUBATORS

Eligibility for LMI Persons (business owners):

- live in the City of Dallas or
- live outside the City of Dallas

intend on establishing the business in the Dallas BAC incubator
ELIGIBILITY – INCUBATORS

Eligibility for businesses that provide Area Benefit:

- are required to serve persons considered to be from areas of census tracts documented to be at least 51% LMI in the City of Dallas
- However, they are not required to
  - Be LMI
  - Reside in the City of Dallas
ELIGIBILITY – INCUBATORS

Eligibility for businesses that Create/Retain Jobs:

- re required to create at least one job and hire/make documented attempts to create jobs to hire LMI persons in the City of Dallas
- However, they are not required to
  - Be LMI
  - Reside in the City of Dallas
DOCUMENTATION - INCUBATORS

- Documentation requirements for Incubators depends on their national objective eligibility
  - LMI Persons (business owners)
  - LMI Area Benefit
  - LMI Creation/Retention
DOCUMENTATION – INCUBATORS

☐ For LMI business owners

- Must provide the business owner’s latest income tax return (valid for 3 years)
DOCUMENTATION - INCUBATORS

- Businesses that will provide **LMI Area Benefit**
  - Must define the geographical area (i.e. boundaries: main highways that enclose said area, census tracts, zip codes,....) where services will benefit persons in a documented area of at least 51% LMI persons
For Businesses that will provide **LMI Job Creation/Retention**

- Provide the type of job(s) it intends to create (at least one job) to hire/intend to hire LMI persons
DOCUMENTATION - INCUBATOR

Incubator documentation includes:

- Nature of the services to be provided by an incubator applicant
- Intended national objective for each of its incubator tenants to comply with a national objective
- Terms and conditions for lease
- Financial activity (program income received from incubator tenants – i.e. lease payments)
BAC staff documentation includes:

- Staff activity
  - Time allocation
  - Timesheets
- Financial activity
  - CDBG and Non-CDBG
  - Sources and uses of funding/expenditures
- Agreements (BAC lease, insurance, other)
REPORTING - INCUBATORS

- Reporting requirements for Incubators depends on their national objective eligibility
  - LMI Persons (business owners)
  - LMI Area Benefit
  - LMI Creation/Retention
REPORTING - INCUBATORS

☐ For an **LMI business owner**, BAC staff must provide

- Business owner’s latest income tax return (valid for 3 years)
- Application
- Services to be provided
- Lease agreement
- Monthly lease payment report
REPORTING - INCUBATORS

☐ For an **Area Benefit** business, BAC staff report must include

- Application
- Services to be provided
- Defined Area Benefit
  - geographical coverage that will benefit area with at least 51% LMI persons or
  - client base to be served that will be 51% LMI
- Lease agreement
- Monthly lease payment report
REPORTING - INCUBATORS

- For a **Job Creation/Retention** business, BAC staff must provide
  - Business services to be provided
  - Defined jobs to be created/retained to hire at least 51% LMI persons
  - Efforts to hire LMI persons
  - Hired person(s) – required to hire/attempt to hire at least one LMI person
  - Lease agreement
  - Monthly lease payment report
REPORTING - INCUBATORS

☑ BAC staff additional reporting requirements:
  ▪ National objective(s) compliance documentation
  ▪ Program income received from tenants (i.e. lease payments)
REPORTING BAC MANAGEMENT

- BAC financial and supporting records for both CDBG and Non-CDBG fund uses and expenditures
- Percentage of eligible expended funds
  - CDBG to total BAC
- Percentage of eligible
  - clients served to total clients served
    (to determine compliance with the national objective - LMI Microenterprise activity)
APPENDIX 2

RFCSP RESPONDENTS
RFCSP
RESPONDENTS LISTING

☐ Greater Dallas Hispanic Chamber of Commerce (GDHCC) submitted proposals for 3 BACs
  ■ BAC #1 – 4622 Maple Ave.
  ■ BAC #3 – 2060 Singleton “West Dallas”
  ■ BAC #4 – 351 W. Jefferson “Oak Cliff”

☐ Inner City Development Corporation (ICDC) submitted a proposal for
  ■ BAC #2 – 4907 Spring Avenue

☐ MBA Consultants submitted a proposal for:
  ■ BAC #5 – 1201 W. Camp Wisdom Rd.
RFCSP
RESPONDENTS LISTING

- Greater Dallas Asian American Chamber of Commerce – Multi-Ethnic Education and Economic Development Center (MEED) submitted a proposal for:
  - BAC #6 – 1327 N. Peak St.

- Organization of Hispanic Contractors DBA - Hispanic Contractors Association of Dallas and Fort Worth (HCA) submitted a proposal for:
  - A new BAC – 2210 W. Illinois

- Greater Dallas Indo-American Chamber of Commerce (GDIACC) submitted a proposal for:
  - A new BAC – in the 2750 Northhaven Rd. or 10007 – 10065 or 2603 Southwell Rd. areas
## RFCSP RESPONDENTS
### DALLAS BAC EXPERIENCE

### Dallas BAC Experience

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Proposed BACs</th>
<th>Dallas BAC Years in Operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater Dallas Hispanic Chamber of Commerce (GDHCC) – <strong>Current Operator</strong></td>
<td>3</td>
<td>BAC #1 – 15 yrs</td>
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<tr>
<td></td>
<td></td>
<td>BAC #3 – 3 yrs</td>
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<tr>
<td></td>
<td></td>
<td>BAC #4 – 9 yrs</td>
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<td>Inner City Development Corporation - (ICDC) - <strong>Current Operator</strong></td>
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<td>BAC #2 – 15 yrs</td>
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<tr>
<td>MBA Consultants - <strong>Current Operator</strong></td>
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<td>BAC # 5 – 15 yrs</td>
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<td>Greater Dallas Asian American Chamber of Commerce – Multi-Ethnic Education and Economic Development Center (MEED) - <strong>Current Operator</strong></td>
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<td>BAC # 6 – 4 yrs</td>
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<td>Hispanic Contractors Association of DFW-</td>
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<td><strong>New agency</strong></td>
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<tr>
<td>Greater Dallas Indo-American Chamber of Commerce-</td>
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<td><strong>New agency</strong></td>
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APPENDIX 3

RFCSP EVALUATION
# RFCSP EVALUATION CRITERIA

<table>
<thead>
<tr>
<th>Evaluation Item</th>
<th>Maximum Points Awarded</th>
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<tbody>
<tr>
<td>1. Organization’s Qualifications and Historical information</td>
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<tr>
<td>2. Members of the board of directors specific small and/or micro-enterprise business management experience</td>
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<tr>
<td>3. Proposed location (address) of operation</td>
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<tr>
<td>4. Proposed qualifications and roles of staff who will manage and operate the BAC, as well as, who will provide technical services to the BAC clients</td>
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<tr>
<td>5. Proposed Operational Program</td>
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<tr>
<td>6. Outreach Plan</td>
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<tr>
<td>7. Collaboration</td>
<td>5</td>
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<tr>
<td>8. Proposed Budget</td>
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</tbody>
</table>
## RFCSP EVALUATION SUMMARY

### Evaluation summary

- Agency 1: GDHCC 79.5
- Agency 2: ICDC 80.5
- Agency 3: GDHCC 80.25
- Agency 4: GDHCC 80
- Agency 5: MBA Consultants 78.75
- Agency 6: GDAACC - MEED 87.5
- Agency 7: HCA 74.25
- Agency 8: GDIACC 60.75
## RFCSP Evaluation Table

<table>
<thead>
<tr>
<th>Organization Quals</th>
<th>Board Quals</th>
<th>Location</th>
<th>Proposed Staff Quals</th>
<th>Proposed Operational Program</th>
<th>Proposed Outreach Plan</th>
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<th>Proposed Budget</th>
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<td>GDIACC NEW BAC</td>
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