

Determining Allocations

Consolidated Plan Priorities

In the PY2003-2007 Consolidated Plan, OHED developed priorities for funding based upon the analysis of data and community participation in development of the plan. Needs throughout the county were extensive and, as a result, a number of areas were designated “high-priority.” OHED continues to place a priority on projects utilizing additional public and/or private resources. Specifically, OHED has taken measures to ensure that the matching requirements for HOME and ESG programs have been met, largely through private funds and Tax Increment Reinvestment Zone (TIRZ) funds. In total, OHED proposes to assist 44 qualifying projects and programs for \$15,432,948.00. Projects for community development, housing, and homelessness activities were allocated \$12,363,881.00, and \$3,069,067.00 was allocated for Harris County planning and administration costs.

Proposal Review and Project Selection

Overview

Selection of the community development, homeless and housing projects for funding is one of the most crucial activities OHED performs. Each year, the CDBG, HOME, and ESG entitlement funds are distributed through a competitive Request for Proposals (RFP) process to local public and private organizations that serve low- and moderate-income residents from unincorporated Harris County and its community development cooperative cities.

All proposals were reviewed and evaluated by the Project Eligibility Review Team (PERT) and Proposal Review Teams (PRT). The PERT members reviewed the projects for initial eligibility and the PRT evaluated and scored the entire proposals. The PERT was comprised of managerial and executive staff, and the PRT was comprised of professional and management staff members from Development, Planning, Grants Management, and Finance.

PY03 RFP Process

Overview. Every September the department initiates the allocation of funds through its RFP process. This activity serves as an organized method to evaluate and select projects that will deliver services in the unincorporated Harris County service area.

Planning Activities. The PY2003 RFP process began in August 2002 during a time of transition in which the Community Development Department was divided into two separate offices administering the County’s entitlement funds. This process lengthened the traditional RFP planning phase to extend into October 2002. During this time, staff from OHED and the Office of Community Services (OCS) conducted a series of meetings to discuss the direction of the process under these changes and began to structure the RFP to reflect these changes.

The transition brought about several concerns during the planning phase. Due to the separation of programs and the public's lack of knowledge on these issues, it was decided to design OHED and OCS' RFPs separately, but include them on the same electronic format (CD). In doing this, it reduced the amount of public confusion and turned a divided program into a more seamless process.

During the early days of planning, staff developed a timeline to coincide with the development of the PY2003-2007 Consolidated Plan and set target dates for the completion of critical activities. Staff assigned to the RFP used ideas, suggestions and comments from prior years' RFP processes to make recommended changes to the PY2003 Guidebook. In addition, Development staff sought input from Grants Management and Finance staff to ensure a streamlined process through the contract development phase. This collaborative effort began with a roundtable discussion on October 1, 2002, which included staff members from these areas and staff assigned to the RFP from OCS. At this meeting, staff were presented with the PY2003 timeline and asked for input based on experience with prior processes.

Issuance of RFP. On October 25, 2002, the Notice of Intent was mailed to over 400 individuals and organizations on the RFP mailing list. OHED and OCS undertook this activity jointly as it is a common mailing list of all organizations that have either applied for or expressed interest in Harris County entitlement funds. Organizations receiving the Notice of Intent were asked to respond to either OHED or OCS to request the PY2003 RFP. In addition to the notification by mail, a public notice was placed in the Houston Chronicle on two consecutive Fridays (October 21 and November 1, 2003) to announce the availability of funds. Persons who were not on the RFP mailing list were asked to call the OHED or OCS office to request an application. Upon receipt of these requests, staff mailed an electronic version of the RFP on CD-Rom. As previously stated, the CD included the application kits for all Harris County HUD entitlement grant programs, including CDBG (non-public service), HOME, CDBG (public service), and ESG.

Applicants Conferences. OHED hosted two Applicants Conferences on Friday, November 15, 2002, for organizations interested in applying for either CDBG (non-public service) or HOME funds. These conferences were held in the Auditorium at OHED's office, 8410 Lantern Point. The CDBG conference was held from 9:00 A.M. – Noon, followed by the HOME conference from 1:30 P.M. – 4:30 P.M.

OCS hosted two Applicants Conferences on Monday, November 18, 2002, for organizations interested in applying for either CDBG (public services) or ESG funds. These conferences were held in the Auditorium at OHED's office, 8410 Lantern Point. The CDBG conference was held from 9:00 A.M. - Noon, followed by the ESG conference from 1:00 P.M. – 4:00 P.M.

During these conferences, OHED and OCS staff provided PowerPoint presentations outlining program guidelines and instructions on completing the applications. Staff from Development, Planning, Grants Management and Finance were available to answer

questions about grant program guidelines, including eligible and ineligible program activities, and provide instruction on the completion and submission of the application.

Submission of Proposals. On Tuesday, December 10, 2002, ninety (90) proposals were submitted to the Harris County Purchasing Office at 1001 Preston Avenue by 1:00 P.M. for OHED- and OCS-administered funds. Proposals received after this deadline were not accepted. Upon receipt of these proposals, each was assigned a file number and logged into the PY2003 RFP databases in Access. Upon completion of data entry, they were assigned and distributed to the PERT members for an initial eligibility review.

Proposal Evaluation Process

Overview. The proposal evaluation process included the assistance of professional and managerial staff from Development, Planning, Grants Management, and Finance. The review process was divided into two phases, the initial eligibility review (Phase I) and the proposal review (Phase II). The purpose of Phase I is to determine initial eligibility based on HUD regulations for the CDBG, HOME and ESG programs. Phase II provides a forum for staff persons with expertise in different areas to provide an objective review of all proposals and discuss their findings in a cooperative setting. It is through these two phases of review that staff is best suited to make funding recommendations.

Evaluation Activities. During Phase I of the review process, staff members were assigned to either the CDBG, HOME or ESG PERT. During this time, PERT members reviewed all proposals assigned to his or her team and determined eligibility based on the CDBG/HOME/ESG Eligibility Worksheets. At the conclusion of Phase I, the team members met to discuss their findings. These discussions resulted in the disqualification of eight proposals (7 CDBG, 1 HOME). Once the teams' findings were compiled into one document, they were presented to the Director for his review. Upon the conclusion of Phase I, letters were mailed to the organizations whose proposals were found to be ineligible. These letters included the reason(s) for disqualification and were signed by the Director.

Phase II commenced with a PRT orientation conducted by Development staff. During this meeting, staff discussed the review process, team assignments, project assessment instruments, and their responsibilities as PRT members. Each team member was provided copies of all proposals assigned to his or her team, accompanied by an RFP timeline, objective evaluation instruments, and score sheets for individual and team comments. Team members were encouraged to meet regularly and conduct site visits when necessary. This phase of the review process concluded with the roundtable discussion of the teams' findings and recommendations. The Director, executive management staff and professional staff participated in this meeting.

Evaluation Factors

While evaluating the proposals for initial eligibility, the PERT used the following established evaluation factors and criteria. These criteria were included in the RFP and incorporated into the evaluation worksheets.

- Does the project meet at least one National Objective?

- Does this project address a Measurable Objective outlined in the PY2003-2007 Harris County Consolidated Plan?
- Is this project located within the Harris County service area and/or serve Harris County service area residents?
- Does the organization have prior history with Harris County entitlement funds? If so, how is its past performance?
- Did the proposed project fall within the category of explicitly ineligible activities?

The PERT evaluated each proposal based upon these criteria, made recommendations accordingly and justified these recommendations in the roundtable discussions.

Findings

While evaluating the proposals, the PRT used established evaluation criteria. These criteria were included in the RFP and incorporated into the evaluation worksheets. Each question on the objective review worksheets was assigned a point value. Scores were based on the following criteria:

- Priorities of the Consolidated Plan
- Completeness of proposal
- Diversity of funding base
- Availability of sources of funding for working capital
- Construction – work descriptions, plans, schedules and cost estimates (if applicable)
- Relocation policy (if applicable)
- Need and community impact
- Appropriate and measurable goals and objectives
- Marketing plans (if applicable)
- Program administration and operational expenses
- Organizational capacity
- Financial capacity
- Matching funds (if applicable)
- Duplication of services/products
- Geographic distribution of projects
- Funds available for allocation
- Past and current performance

The PERT evaluated and scored each proposal based upon these criteria, made recommendations accordingly and justified these recommendations in the roundtable discussions.

Selection of Projects

Following the completion of Phase II in mid-February, executive and professional staff from the Planning and Development section developed the *Allocation Manager* and *Proposal Review Team Report* for presentation to the Director.

On March 1, 2003, the Harris County Commissioners Court merged OCS' CDBG and ESG programs into OHED. All OCS projects were presented to the OHED Director for

his review and approval. Upon his final recommendations, the proposed projects were assembled into the PY2003 Annual Action Plan. The development of the Annual Action Plan was managed by OHED Development staff and includes all proposed projects.

The public review of the PY03 AAP was held from March 31 – April 29, 2003. A public notice summary was placed in the Houston Chronicle, including a list of projects and proposed expenditures. The general public was notified of the availability of the draft document at the OHED office. During this 30-day review period, OHED staff cancelled one project from the original list of recommendations due to a lack of site control.

The Harris County PY2003 Annual Action Plan was presented to the Harris County Commissioners Court for approval on April 29, 2003.

Contract Development Activities

Once the recommended projects are submitted in the Annual Action Plan, conditionally awarded applicants begin the contract negotiation process. At that time revised budgets and statements of work are submitted and processed for contract drafting by the Grants Management section.

PY03 RFP Process Evaluation

Following the submission of the PY03 AAP, Development staff will conduct two or more activities to properly evaluate the OHED RFP process and plan for the PY2004 process. Tentative evaluation tools include:

(1) Staff Evaluation - An RFP Feedback committee will be assembled to analyze the 2003 RFP process. This committee will be comprised of professional staff from Administration, Development, Planning, Grants Management, and Finance sections. The goal of the committee is to identify positive and negative aspects of the previous process and recommend suggestions for improvement.

(2) Technical Assistance Workshop - A workshop will be provided for unsuccessful PY03 RFP Applicants. Staff will provide instruction and answer questions regarding HUD program regulations, OHED RFP policies and proposal completion. Each applicant organization will have the opportunity to meet with staff to request additional technical assistance to address specific or individual concerns.

These activities will provide an effective process to make improvements to the annual RFP process and make it more user-friendly to the applicants.