



## CITY OF HOUSTON

Office of Business Opportunity

### Interoffice Memorandum

**To:** Marsha Murray, Deputy Director

**From:** Tifney Scott, Procurement Specialist, Department Services

**Date:** August 16, 2017

**Subject:** 0% Goal Waiver Request  
Houston Health Department  
Reentry Services Pilot Program

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I have reviewed and evaluated the 0% Goal Modification Request submitted by the Houston Health Department for the above referenced project. This project is for reentry services for formerly incarcerated individuals.

#### **Department Information:**

The Houston Health Department seeks to operate a pilot program that offers reentry services to those offenders returning to the City of Houston after release from a term of incarceration in the Texas Department of Criminal Justice prison or state jail facility. The City is seeking to coordinate with non-profit entities, faith based organizations, community groups and private sector programs for reentry services which is expected to reduce the recidivism rate. These services include but are not limited to offering permanent employment and housing solutions.

#### **Department Service Findings:**

Research confirms the solicitation's scope of work is to facilitate a pilot program that offers reentry services to those offenders returning to the City of Houston after release from a term of incarceration in the Texas Department of Criminal Justice prison or state jail facility. The following are key areas of need:

1. Employment
2. Job Training
3. Housing
4. Counseling {Behavioral & Substance}
5. Education

The department is open to either a Prime Model Contract or a Prime Contractor Collaborative Model contract as detailed below.

#### **Prime Contractor Model**

Proposer must demonstrate the ability to provide a comprehensive service delivery system that addresses the components listed above within their organization and with existing collaborators as necessary

#### **Prime Contractor Collaborative Model**

Proposer must demonstrate the ability to provide a comprehensive service delivery system that addresses the components listed above as a collaborative effort between organizations with signed letters of support or agreements that demonstrate partnerships and collaborations with one organization serving as the lead organization. This contractor may provide one or more of the core services and may partner with other service providers

The department is requesting a waiver, indicating that MWSBE provisions impose an unwarranted economic burden or risk on the City of unduly delay acquisition of goods or services, or is not in the best interest of the City. The department states that they feel that this solicitation will primarily attract non-profit organizations, and that those non-profit organizations are funded based upon the number of clients served. And that subsequently those agencies would be unable to meet the City's MWSBE requirements.

I contacted the department and spoke to Paula Johnson and Deborah Moore to get clarification of the rationale for the waiver. In conversation with Ms. Moore, I ask her whether it was a requirement that these services be parsed/subcontracted out to a non-profit, and would these agencies be donating their services or would they be paid entities. She said that it was not a requirement, and that they would be paid subcontracting entities. She also said that an internal bidding list had been created, and most of the participants on the list were non-profit agencies. I then reminded her that MWBE participation is based on subcontracting opportunities, not prime level participation.

After thoroughly reviewing the details of the scope, I informed the department that outside of employment, job training, counseling, housing, and education it appeared that marketing and printing would also be viable divisible elements. I was informed that most of the target participants would be able to self-perform those services in house. Ms. Moore then informed me that this program was very important to the Mayor, and that the City had received an extension so as that we would not lose the funds for the program. Her major concern seemed to be that the respondents wouldn't adhere to the MWBE requirements, and that the State allocated funds would have to be returned. While I understand the concern of the department, it is apparent that there are many divisible elements to this solicitation. It has been verified that the City has certified firms in the City's online MWSBE directory that could provide employment assistance/staffing, job training, counseling, housing, education, marketing, and printing services.

Based on my findings it is the recommendation to **DENY** the 0% goal request. This solicitation appears to be misclassified as a professional services solicitation. Instead it appears to involve a non-professional service. If the department chooses to go with the City wide aspirational goal, then this contract would be assigned a 11% MWBE goal. Alternatively, the department may opt to go through the exercise of completing a contract specific goal for this solicitation. Completing a contract specific form will provide a more realistic MWBE goal specific to this solicitation's scope of work. However, this is not required if the City wide aspirational goal of 11% is utilized. Should the department choose to go with the 11% MWBE goal, no further approval is needed from OBO, and they may move forward in the procurement process.

Reviewed and Accepted

8/16/17

Date



Marsha Murray  
OBO Deputy Director



1. Date: 8/8/2017 2. Requesting Department: Health 3. Solicitation Number: S69-T26323  
4. Solicitation Name: Reentry Services Pilot Program 5. Estimated Dollar Amount: \$ 1,000,000

6. Description of Solicitation (attach specifications/supporting documents):

The Houston Health Department is seeking proposals from qualified non-profit entities, faith-based organizations, community groups and the private sector to provide reentry services with the goal of reducing recidivism by offering permanent employment and housing solutions and other supportive services either directly or through subcontracts to formerly incarcerated individuals.

**PLEASE INDICATE WHETHER A PREVIOUS CONTRACT EXISTED FOR THIS SOLICITATION.**

- A. Previous contract (if any): Yes  No  B. Previous contract number: \_\_\_\_\_  
C. Goal on last contract \_\_\_\_\_ D. Was goal met? Yes  No   
E. If goal was not met, what percentage did the vendor achieve? \_\_\_\_\_%  
F. Why wasn't goal achieved?

**SELECT ONE TYPE OF GOAL MODIFICATION REQUEST FROM THE FOUR OPTIONS BELOW.**

**1. WAIVER**

- A. I am requesting a waiver of the MWSBE Goal: Yes  No   
B. Reason for waiver: (Check one)  
 A public or administrative emergency exists which requires the goods or services to be provided with unusual immediacy  
 If goods and services are specialized, technical, or unique nature as to require the City department to select its contractor without application of MWSBE provisions (such as contracts for expert witnesses, certain financial advisors or technical consultants)  
 MWSBE provisions impose an unwarranted economic burden or risk on the City or unduly delay acquisition of the goods or services, or is not in the best interest of the City; or  
 Level of MWSBE availability would produce minimal MWSBE participation.  
 Other:

C. Detailed explanation for Waiver Reason:

This RFP will primarily attract non-profit organizations. These non-profit organizations primarily provide services to at-risk individuals and are funded based upon the number of clients served. Subsequently, they are unable to meet the City's MWSBE requirement. If we are unable to provide the service, program goals will not be met, and State allocated funding will go underutilized. This will impact the intent of the program which is to reduce recidivism amongst our ex-offender population.

**2. COOPERATIVE OR INTER-LOCAL AGREEMENT**

- A. Is this a Cooperative/Inter-Local agreement? Yes  No   
B. If yes, please specify the name of the agreement: \_\_\_\_\_  
C. Did the Department explore opportunities for using certified firms? Yes  No   
D. Please explain how the department explored opportunities for using certified firms:  
  
E. Please explain why the Department did not explore opportunities for using certified firms:





**3. REDUCED GOAL** (to be completed by the department prior to advertisement)

A. I am requesting a MWSBE contract-specific goal below the following city wide goals:  
Construction (34%) Professional Services (24%) Purchasing (11%)

Yes  No  If yes, please complete a Contract-Specific Goal Request Form and submit with this form.

**4. GOAL REVISION AFTER ADVERTISEMENT**

A. I am requesting a revision of the MWSBE Goal that has already been advertised: Yes  No

B. Original goal: \_\_\_\_\_ C. Proposed new goal: \_\_\_\_\_ D. Advertisement date: \_\_\_\_\_

E. Will the project be re-advertised? Yes  No  F. Estimated dollar amount: \$ \_\_\_\_\_

G. Detailed reason for request:

Concurrence:

Paula Johnson  
Requesting Department Initiator

8/10/2017  
Date

Reynold Brantley  
Department Director or Designee

8/10/2017  
Date

**FOR OBO OFFICE USE ONLY:**

**APPROVED:**

OBO Deputy Director or Designee	Date	OBO Reason	Tracking #

**DENIED:**

<u>Wendy Chung</u>	<u>8/16/17</u>	<u>Divisible and Available MWSBE</u>	<u>W-812</u>
OBO Deputy Director or Designee	Date	OBO Reason	Tracking #

**COMMENTS:**

Department may assign the default Citywide goal for non-professional services of 11% to this solicitation. The use of the default goal does not require further OBO Review. Alternatively, the Department may set a contract specific goal which will require OBO review and approval.

