



City Council Report

Date: May 16, 2022
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Natalie Lewis, Deputy City Manager
Subject: Dollar Limit Increase to the One-Year Term Contract with Renewal Options for Leasing Hotel Rooms for “Off the Streets” Emergency Housing Program, and as requested by the Community Services Department **(Funded by the American Rescue Plan Act – Local Fiscal Recovery) (Citywide)**

Recommendation

Council is requested to approve the contract amendment as recommended.

The Community Services Department and Purchasing recommend increasing the dollar limit by \$400,000, from \$1,200,000 to \$1,600,000 annually.

Background / Discussion

This contract provides leasing of hotel rooms for the City’s Off the Streets program which provides emergency, temporary and safe shelter for individuals and families of Mesa’s at-risk homeless population. Separate agreements and funding for on-site services are completed by staff, to include emergency wrap-around human and health services, pet services, 24-7 hotline for the City to report homelessness, and on-site security and navigation both day and night.

On January 13, 2022, Council approved the one-year term contract with renewal options in the amount of \$1,200,000.

An additional \$400,000 is being allocated for each year (2022 through 2024) from the American Rescue Plan Act (ARPA) to this program. This dollar limit increase is needed for critical reasons in support of Mesa’s Addressing Homelessness Strategic Plan and Housing Path to Recovery, including:

- Adding 10 more rooms, for a total of 85 rooms.
- Adding the lease of a classroom for ‘Dusk to Dawn’ program for overnight, emergency use when needed, at \$3000 per month plus expenses for beds and bedding-related items. Having this congregate space with 10 beds initially helps us ensure we can continue to have beds while enforcing urban camping laws.
- Covers leasing cost increase for the 10 new rooms from \$41/room/night to \$46/room/night.
- Funding for minor damage to rooms, i.e., broken or missing items, bed bug/pest disinfection.

The existing hotel space (block of rooms) to provide emergency, temporary and safe shelter to individuals and families experiencing homelessness in Mesa has been consistently reaching capacity. By allocating additional funding in this contract, Mesa will have the availability to provide more shelter capacity, 40- 50 more individuals each year, with additional hotel space (block of rooms) and a congregate space (Dusk till Dawn).

Additionally, the allocated funding will be available for reimbursement to the property owner for any documented missing or damaged items caused by a guest in a guest room, as per the lease agreement and amendment.

Purchase Information

Action: Amendment

Procurement Type: Emergency Purchase (Public Health and Public Safety)

Contract Number: 2022129

Initial Contract Term: One year

Possible Renewals: Two, one-year renewal options as funding is available subject to Administrative review and approval

Funding Source: American Rescue Plan Act – Local Fiscal Recovery

Dollar Limit History

Original Council Award 1/24/2022:	\$1,200,000.00
Dollar Limit Increase Request 5/16/2022:	<u>\$400,000.00</u>
New Contract Value (Year 1):	<u>\$1,600,000.00</u>
Annual Renewal Options (Years 2 and 3):	<u>\$1,600,000.00</u>