



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 11/26/2024

REQUESTER: Anthony Purinton, Assistant City Attorney

PRESENTER: Anthony Purinton, Assistant City Attorney

ITEM TITLE: CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF CONTRACT K-2425-58: A SERVICE AND LEASE AGREEMENT WITH CITY CARE, INC., FOR THE OPERATION OF AN EMERGENCY OVERNIGHT SHELTER; AND FUND APPROPRIATIONS AS OUTLINED IN THE STAFF REPORT.

BACKGROUND:

Since October of 2022, the City has contracted with Food and Shelter, Inc. to operate an emergency overnight shelter at a City-owned facility located on 109 West Gray. After recent contract renegotiations with Food and Shelter failed, Food and Shelter indicated that they would no longer be operating the shelter, but were willing to continue until March 31, 2025 or until a new operator could be found. The Council has been apprised of these negotiations in a series of public study sessions.

At the direction of Council, City Staff began searching for a potential new operator, speaking with several related service providers in the region. City Care Inc., a non-profit organization based in Oklahoma City, was the only Oklahoma provider with overnight shelter experience who expressed an interest or ability in taking over operation of Norman's emergency overnight shelter. Upon direction of City Council, Staff has successfully negotiated the attached service contract for City Care to assume operation of the shelter, which is presented for Council's consideration.

DISCUSSION:

Overview of Contract Terms

This agreement, Contract K-2425-58, is similar to previous contract drafts provided to City Council during the renegotiation process with the current operator. Some of the basic provisions of the agreement are briefly summarized below:

Term: The term of the agreement is from the date of contract execution to June 30, 2025, which is the remainder of the current fiscal year. The contractor will begin full operation of the shelter beginning on January 15, 2025 until June 30, 2025, ("Operation Term") after a brief

mobilization and transition period. The companion resolution formally terminating the existing contract with Food & Shelter, R-2425-53, is drafted to ensure shelter operation does not lapse.

Location: The agreement leases specific areas of the City-owned property at 109 West Gray for use as an overnight shelter. An amendment or new agreement will be necessary if the shelter operation moves to a different location.

Compensation: Compensation is on a reimbursement basis, subject to adequate funding appropriation by City Council. Contract will be required to provide services subject to and in accordance with a Program Budget, which is attached as an exhibit to the contract. Only expenses necessary for shelter operations will be reimbursed. Once full operation is assumed by City Care, the Program Budget identifies the monthly amount of \$62,683.36, for a total operating budget of \$344,758.48 during the Operating Term (Jan. 15 – June 30). Additional startup and administrative expenses are also expected to be incurred by the contractor prior to the Operation Term, which will be eligible for reimbursement.

Reporting: The contract requires financial and statistical reporting on a regular basis. Additionally, the monthly reimbursement schedule will require detailed reporting on expenditures prior to payment.

Scope of services: The contractor will operate a “low-barrier” overnight shelter with a maximum of 52 beds for adults. Clients shall, either directly or through another local agency, be offered access to housing, mental health, substance abuse, and employment services. As a part of the services provided, City Care will employ “Housing Navigators” (housing case managers) who will work directly with those staying at the shelter to provide case management services. The hours of operations will be 5:00pm-7:00am, with the ability to expand hours in the event of adverse weather. On-site security will be provided during the evening.

Funding

Appropriation of funding is necessary for current contractual obligations to Food & Shelter for the remainder of their contract, as well as for projected expenses under the new contract. Staff is recommending appropriating a total of \$639,215.33, which is described in detail in Figure 1, below. In addition to contract payments for reimbursement, Staff recommends appropriating an additional 10% contingency.

In addition to the funding needed for contract payments to both the current and new proposed contractor, Staff is recommending appropriation of \$25,000 for various equipment and improvements to the facility for safety and to meet basic needs of the contractor and shelter clients. As this location is not intended to be the permanent location of the shelter, improvements that can be transferred to a permanent facility have been prioritized. Such equipment/improvements are anticipated to include items such as the following:

- Installation of a walkthrough metal detector (equipment already on-hand)
- Defibrillator(s)
- Signage, including emergency exit signage
- Retrofitting office space to be utilized for case management activities
- Fencing
- Camera systems
- Air ventilation
- Replacing older climate control system in common area
- Minimal layout changes to increase number of usable, functional restrooms

RECOMMENDATION:

Staff presents contract K-2425-58 for City Council’s consideration. If approved, Staff recommends appropriation of General Fund balance and transfer of Special Grant Fund allocations totaling \$639,215.33 to satisfy current and future contractual obligations, as set forth in Figure 1, below:

Figure 1. Appropriation and Funding Sources

Purpose	Losing Account(s)	Gaining Account(s)	Amount
Contract Payments for Closeout of Existing Contract (K-2223-56) (Nov. 1 - Jan. 15)	General Fund Balance (10-29000)	Professional Services – Community Intervention (10110110-44029)	\$137,081.00
Contract Payments for New Contract (K-2425-58) (+10% Contingency)	General Fund Balance (10-29000)	Professional Services – Community Intervention (10110110-44029)	\$358,109.60
	ARPA Affordable Housing (22330303-45799)	Professional Services – Community Intervention (22330303-44029)	\$119,024.73
Safety Equipment and Site Improvements	General Fund Balance (10-29000)	Professional Services – Community Intervention (10770430-45199)	\$25,000.00