



Recommendation for Action

File #: 23-3591, **Agenda Item #:** 14.

1/18/2024

Posting Language

Authorize negotiation and execution of a contract for a comprehensive review of homelessness strategies, programs, and services with McKinsey & Company, Inc. Washington D.C., in an amount not to exceed \$2,000,000.

[Note: This procurement was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9B (Minority Owned and Women Owned Business Enterprise Procurement Program). For the services required for this procurement there were no subcontracting opportunities; therefore, no subcontracting goals were established].

Lead Department

Financial Services Department.

Client Department(s)

Homeless Strategy Office.

Fiscal Note

Fiscal Year 2023-2024 Operating Budget Special Revenue Fund.

Purchasing Language:

Professional Service.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500.

Additional Backup Information:

The contract is for a consultant to conduct a comprehensive review to assess the effectiveness of the strategies, programs, and services provided by the City of Austin (City) and partners which may include Central Health, Travis County, Integral Care, and The University of Texas at Austin Dell Medical School (Healthier Austin Partners) to make homelessness rare, brief, and nonrecurring.

Some of the key tasks the City anticipates the contractor performing include the following:

- Strategy Evaluation - Review the Healthier Austin Partners' homelessness strategies, policies, and programs to gain a thorough understanding of their objectives and implementation mechanisms. This includes evaluating the effectiveness of strategies in achieving their intended outcomes.
- Homelessness-Related Contracts - Examine the terms of all relevant homelessness contracts to ensure clarity and alignment with each Healthier Austin Partners' goals and purpose. This includes evaluating the cost-effectiveness of services, and identifying potential risks associated with contracts.

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- **Coordination of Services and Service Delivery** - Evaluate the extent to which Healthier Austin Partners collaborate and coordinate their efforts to provide comprehensive services to the homeless population. This includes analyzing the extent to which a regional systems approach to end homelessness exists in Austin, Travis County.
 - **Report and Implementation Plan** - Compile comprehensive review findings into a comprehensive report, including recommendations for improvements in strategy design and implementation.

While the authorization amount for the contract is estimated based on this review being performed for all the Healthier Austin Partners, the City will only be financially responsible for the funding for work provided specific to the City, its contracts, programs, and strategies. Any work provided under this contract for the other Healthier Austin Partners would be reimbursed to the City by those entities. The authorization amount requested is for a review of all the Healthier Austin Partners, and the actual amount spent will only be for those who decide to participate in the contract. Additionally, funding for the City's portion will come from the U.S. Department of Treasury, American Rescue Plan Act. Funding will be assigned to Project A645: Homelessness - Homelessness System Support. It is estimated that Partner Agencies will reimburse the City up to 50% of the contract cost through interlocal agreements.

The City has determined that the work to be done under the subsequent contract is of a professional service nature, and therefore it is exempt from the requirements of Texas Local Government Code Chapter 252. Although not legally required, in an effort to ensure that the most qualified contractor performed the work, the City performed an informal competitive process and its recommended award based on their company qualifications and experience, their key personnel qualifications and experience, and their references.