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DEPARTMENT OF MENTAL HEALTH

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June 1, 2010

TO: Each Supervisor

FROM: Marvin J. Southard, D.S.W.
Director of Mental Health

SUBJECT: **ADVANCE NOTIFICATION OF INTENT TO ENTER INTO A SOLE SOURCE CONTRACT NEGOTIATION WITH MENTAL HEALTH AMERICA OF LOS ANGELES**

This memorandum is to notify your Board that the Department of Mental Health (DMH) intends to enter into sole source contract negotiations for a new supportive services agreement with Mental Health America of Los Angeles, located in Supervisorial District (SD) 5. The intention of this agreement is to provide supportive services for clients placed in permanent housing utilizing the Mental Health Services Act (MHSA) Community Services and Supports (CSS) Housing Trust Fund (HTF) in the amount of $749,489.

In May 2006, the DMH MHSA CSS Plan approved by your Board included $10,500,000 of one-time funds for a HTF to support the development of new permanent supportive housing for individuals of all ages with psychiatric disabilities, particularly individuals who are homeless or at risk of homelessness including those exiting institutions such as jails, Institutions for Mental Disease, and acute psychiatric hospitals. The target population includes individuals with multiple barriers in obtaining permanent housing such as those with co-occurring mental health and substance abuse disorders and those with histories of poor credit or evictions and/or criminal records.

In January 2008, DMH released the HTF Request for Proposal (RFP). DMH received 33 proposals, 28 of which met minimum qualifications and were considered for funding. Evaluation panels were composed of consumers, family members, DMH staff, and members of other County and City of Los Angeles departments and non-profit agencies. Based on the evaluation panel scores and a commitment to distribute the funds regionally, and in recognizing that homelessness is a countywide issue, DMH reviewed and finalized the recommendations to award contracts to 12 agencies. As part of the selection process, DMH determined there were a limited number of eligible proposals for SDs 4 and 5 and, therefore, proposed to fund all eligible proposals in those areas and to set aside the remaining $3,205,575 in DMH's Special Fund for future new permanent supportive housing projects in these SDs.

In May 2009, your Board approved DMH to execute Supportive Services Agreements with 12 agencies in the amount of $7,294,425 and delegate authority to the Director of Mental Health, or his designee, to execute Agreements for the remaining $3,205,575 for future permanent supportive housing projects in the SDs 4 and 5.

In August 2009, DMH released the Request for Information (RFI) for Supportive Services under MHSA HTF for SDs 4 and 5. DMH received and reviewed 70 responses that resulted in nine (9) respondents that appeared to meet the HTF requirements. In November 2009, DMH requested additional information from the nine (9) respondents to gain more detailed programmatic and financial information about the agency and the project. After careful review, DMH concluded that six (6) responding agencies fulfilled the HTF Program requirements. MHA, one of the six (6) agencies, is uniquely qualified to provide this service because the agency's project in the Antelope Valley meets the HTF requirements of being a new permanent supportive housing development that was placed into service after February 2006 and is located in SD 5. The project will have units set aside for adults diagnosed with serious mental illness who are homeless and require supportive services. The agency also meets the fiscal requirements and has experience providing mental health services to homeless adults with serious mental illness in SD 5.

Unless otherwise instructed by your Board within two weeks, DMH will proceed with negotiating the sole source contract. DMH will work closely with both County Counsel and the Chief Executive Office in preparing a new agreement with MHA.

MJS:KAD:MF:RT:lc

c: Health Deputies
Chief Executive Officer
Executive Office, Board of Supervisors
County Counsel
Robin Kay, Ph.D.
Contracts Division