



DATE: September 14, 2022

TO: Honorable Mayor and City Councilmembers

FROM: Neighborhood Services Department

SUBJECT: **AMENDMENT 3 TO PROFESSIONAL SERVICES AGREEMENT WITH MCALISTER INSTITUTE, INC. FOR THE SOBERING SERVICES CENTER**

SYNOPSIS

Staff recommends that the City Council approve Amendment 3 in the amount of \$45,000 to the Professional Services Agreement with McAlister Institute for a total revised contract amount of \$1,609,848 for the Sobering Services Center; and authorize the City Manager or designee to execute the amendment.

BACKGROUND

The City of Oceanside has taken many strides in developing and implementing programs designed to assist Oceanside residents experiencing homelessness by securing temporary and permanent housing and providing various support services.

On June 5, 2019, the City Council approved the FY 2019-20 Measure X Spending Plan which provided for the development of a sobering services center at 1919 Apple Street. The City Council subsequently approved a Professional Services Agreement (PSA) with McAlister Institute, Inc. to operate the Center. The Sobering Center began operations in December 2020.

On August 18, 2021, the City Council approved Amendment 1 to the PSA with the operator to fund its continued operation.

On June 22, 2022, the City Council approved Amendment 2 and appropriated funding for the operations of the Sobering Services Center, extending the existing contract through August 30, 2022. The Program extension utilized funding from the County Health and Human Services Agency (HHS) grant. The purpose of this short-term extension was to provide staff with an opportunity to reassess the effectiveness of the program in light of the low number of clients being served.

During this two-month extension and prior to a commitment of continued funding of the Center for the remainder of FY 2022-23, City staff consulted with McAlister Institute ("Contractor") and assessed the need and ability to make program adjustments. Staff completed an informal cost-benefit analysis to measure the program's efficacy. At this

time, staff is recommending that the City Council approve an amendment to the Sobering Services Center contract to provide \$45,000 to the Contractor as a final payment for a 30-day period for the close out of the program on September 30, 2022, consistent with terms of the PSA.

ANALYSIS

Sobering facilities provide an alternative place to jails, emergency departments, or homeless shelters where intoxicated people (frequently homeless) are observed for safe sobering. They serve as an alternative to hospital-based and police-based holding policies and benefit the welfare of persons experiencing homelessness. Homelessness is not a requirement for sobering services, the only requirement is being an Oceanside resident. With a local resource like the Sobering Center accessible only to Oceanside Police Department (OPD) officers, they can return to patrol more quickly and attend to other emergency calls.

In December 2020, the Sobering Services Center opened its doors and began operations. The Center served 105 clients during FY 2020-21, with an average of 15 clients per month. In FY 2021-22, staff recommended expanding capacity, with the intent to increase the number of persons served, by allowing the program to serve clients other than alcohol intoxicated individuals as long as they were not a danger to themselves or others. The total number of clients served only minimally increased to 210 clients with an average of 17 per month. To further increase participation in the program, the Contractor worked with City staff to discuss ways to increase Program participation. Ideas explored included accommodating Fire Department referrals and referrals from other Oceanside homelessness service providers. However, none of these options proved feasible.

Additionally, City staff worked with McAlister Institute to review the operating budget for potential cost savings. It was concluded that a significant reduction in funding of the operations and cost would compromise the program design's integrity.

Based on the number of participants from the last two years, despite efforts to increase participation by Oceanside residents by both Contractor and the City, the resulting number of persons served does not meet the original perceived need at the outset of the program. Since the program's inception, the average number of clients served monthly is about 17 individuals. In the first year of operation, the number of clients served per dollar amount was \$6,337. Last year, the total operating cost per client served was \$3,810. For the first two months of FY 2022-23, the total proposed budget (prorated for two months) per individual served is \$3,434. This amount far exceeds the time and staffing costs that would be incurred utilizing the Sobering Services Center as an alternative for OPD's transport to Vista County Jail.

Should the City Council wish to continue the Program for the remainder of FY 2022-23, \$783,000 is available from Measure X funding and County of San Diego for Program operations.

At this time, staff is recommending an amendment to the current contract to fund 30 days of operations through September 30, 2022, while closing out operations of the Sobering Services Center. Staff has provided the contractor a formal 30-day notice to allow them to sunset the Program with their personnel and ensure a smooth exit. McAlister Institute, as the contractor for the Program, has provided valuable services to the Oceanside community and has been a collaborative partner in the City's efforts to address stabilization of its unsheltered population. During the phase out period, staff will be exploring other cost-efficient options. Options could include increased utilization of the County CSU program and the Mobil Crisis Stabilization Units funded through the County.

FISCAL IMPACT

The total cost of Amendment 3 is \$45,000 and will be charged to Measure X account 150954103.5395 and 836167120272.5395 County HHS grant. The City will exhaust the remaining funds appropriated under 836167120272.5395 for FY 2022-23. Currently the balance is approximately \$60,000 remaining in account 150954103.5395. Measure X funds will be utilized to cover excess closing expenses and has a balance of \$617,100 available for FY 2022-23. Therefore, sufficient funds will be available.

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

COMMISSION OR COMMITTEE REPORT

Funding for this project was presented and approved by the Measure X Citizens Oversight Committee (COC) March 10, 2022.

CITY ATTORNEY'S ANALYSIS

The amendment has been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council approve Amendment 3 in the amount of \$45,000 to the Professional Services Agreement with McAlister Institute for a total revised contract amount of \$1,609,848 for the Sobering Services Center; and authorize the City Manager or designee to execute the amendment.

PREPARED BY:



Salvador Roman
Management Analyst

SUBMITTED BY:



Jonathan Borrego
City Manager

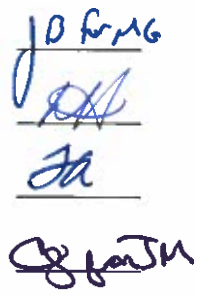
REVIEWED BY:

Michael Gossman, Assistant City Manager

Leilani Hines, Neighborhood Services Director

Fred Armijo, Police Chief

Jill Moya, Financial Services Director



ATTACHMENTS:

1. Amendment 3 – Sobering Services Center (McAlister Institute Inc)

**CITY OF OCEANSIDE
AMENDMENT 3 TO
PROFESSIONAL SERVICES AGREEMENT MCALISTER INSTITUTE**

PROJECT: OCEANSIDE SOBERING SERVICES CENTER

THIS AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (hereinafter "Amendment"), dated September 1, 2022 for identification purposes, is made and entered into by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and McAlister Institute, hereinafter designated as "CONSULTANT."

RECITALS

WHEREAS, CITY and CONSULTANT are the parties to that certain Professional Services Agreement dated June 17, 2020, Amendment 1 thereto, dated August 18, 2020, and Amendment 2 thereto, dated July 1, 2022, hereinafter referred to as the "Agreement", wherein CONSULTANT agreed to provide certain services to the CITY as set forth therein; and

WHEREAS, the Neighborhood Services Department requires continued Contract services for McAllister to reduce the number of publicly inebriated persons experiencing homelessness and publicly intoxicated individuals in the City of Oceanside, by providing a 25-cot Sobering Services Center for those referred by Oceanside Police Department (OPD), Homeless Outreach Team (HOT) and/or Oceanside Housing Authority (OHA); and

WHEREAS, the parties desire to amend the Agreement to extend the term of the Agreement through September 30, 2022 and to adjust the CONSULTANT'S compensation accordingly.

AMENDMENT

NOW, THEREFORE, the parties hereto do mutually agree that the Agreement shall be amended as follows:

1. Section 7. COMPENSATION, is hereby amended to provide that the total compensation for all work performed in accordance with this amendment shall not exceed \$45,000 for a total agreement price not to exceed \$1,609,848.
2. Section 8. TIMING REQUIREMENTS, is hereby amended to all work shall be completed in every detail to the satisfaction of the CITY by September 30, 2022.

SIGNATURES. The individuals executing this Amendment represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Amendment on behalf of the respective legal entities of the CONSULTANT and the CITY.

IN WITNESS WHEREOF, the parties hereto being duly authorized on behalf of their respective entities to execute this Amendment, do hereby agree to the covenants contained in the Agreement, including this Amendment, and have caused this Amendment to be executed by setting hereunto their signatures on the dates set forth below.

McALISTER INSTITUTE, INC.

CITY OF OCEANSIDE

By: _____
Jeanne McAlister/CEO
Chief Executive Officer

By: _____
Jonathan Borrego
City Manager

Date: _____

Date: _____

By: _____

APPROVED AS TO FORM:

Date: _____

Employer ID No./DUNS No.

City Attorney

NOTARY ACKNOWLEDGMENTS OF CONSULTANT MUST BE ATTACHED.