

**MIAMI-DADE OFFICE OF THE INSPECTOR GENERAL**  
**Final Audit Report**  
*Miami-Dade Housing Agency's HOPE VI Revitalization Program Contract No. 251*  
*Audit of the Professional Services Agreement with H.J. Russell & Company*  
*For Community and Supportive Services Program Management Services*

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**OIG**  
**APPENDIX A**

**MIAMI-DADE HOUSING AGENCY RESPONSE**

August 24, 2006



Miami-Dade Housing Agency
Office of the Director
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Safe Neighborhood Parks
Seaport
Solid Waste Management
Strategic Business Management
Team Metro
Transit
Urban Revitalization Task Force
Vizcaya Museum and Gardens
Water and Sewer

August 22, 2006

Mr. Christopher R. Mazzella
Office of the Inspector General
19 West Flagler Street, Suite 220
Miami, FL 33130

Re: OIG Draft Report-IG05-141A

Dear Mr. Mazzella:

Attached for your review is the Miami-Dade Housing Agency's response to the draft report regarding the above-referenced audit. Our response includes feedback provided by the Department of Human Services. Please feel free to call me if you have any questions regarding our response.

We look forward to receipt of the final report.

Sincerely,

Cynthia W. Curry (handwritten signature)

Cynthia W. Curry
Senior Advisor/MDHA Management Team

cc: Mr. George Burgess, County Manager
Dr. Mae Bryant, Assistant County Manager
Dr. E. Carolina Montoya, Psy. D., Acting Director, Miami-Dade
County Department of Human Services

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**Miami-Dade Housing Agency Response to  
Draft Audit Report (IG05-141A) of  
HOPE VI Revitalization Program Contract No. 251**

The Miami-Dade Housing Agency (MDHA) acknowledges and recognizes the necessity for the Office of the Inspector General (OIG) to audit the HOPE VI Program Management Contract No. 251, entered into by Miami Dade County (County) and H. J. Russell & Company (H.J. Russell) on August 16, 2001. Subsequent to the initial OIG engagement letter dated November 23, 2005, the focus of the audit was narrowed by the OIG to focus on the Community Supportive Services, (CSS) Program and its oversight by the former MDHA HOPE VI staff. MDHA understands the rationale of the OIG limiting the audit to the CSS Program due to the large dollars budgeted; however, there remains a need for an audit of the entire contract, including addenda totaling \$5.0M for the "Beautification Program and Rehabilitation Loan Program" of single family homes requiring painting, landscaping, and building code improvements in the HOPE VI target area.

MDHA concurs with the OIG that administrative practices of former MDHA HOPE VI staff permitted improper transactions. A critical component that is missing in this report, however, is the determination whether the extent of possible abuses is accurate and there is complete documentation. MDHA agrees that measurements for performance of the CSS Program were not clearly documented, although they may have been discussed and agreed upon by both parties. MDHA does not concur with all of the specific findings and questions the information that former MDHA staff may have provided to the OIG along with subsequent conclusions drawn by the OIG regarding fees spent on program administration and case management.

The H.J. Russell contract term expired on August 16, 2006. Prior to this, MDHA issued H.J. Russell a Notice of Non-Renewal and Notice to Cure demanding that five critical categories of documentation that remain outstanding be submitted by H.J. Russell within specific deadlines. The letter (Attachment A) states that H.J. Russell's failure to provide such documentation and failure to comply with the contract shall be deemed an Event of Default. The MDHA is pursuing H.J. Russell to the fullest extent possible and intends to use portions of the OIG Audit Report once formally issued to reinforce its case.

During the fall of 2005, in acknowledgement that the remaining demolition and construction of the 411 homes had fallen far behind schedule, the Miami-Dade County Manager requested Assistant County Manager, Bill Johnson to intervene and work with Assistant County Manager, Tony Crapp to oversee the redirection of the HOPE VI construction program. As a result, Diana Gonzalez, Special Advisor for Economic Development, County Manager's Office, was assigned to provide leadership to the program, and on August 15, 2005, Elizabeth Ogden, an architect and Chief of Planning and Program Management at the Aviation Department was assigned to MDHA as the Acting HOPE VI Director after the former director, Rick Herrera was removed and placed on administrative leave. Mr. Herrera retired in August 2005, and in February

2006, Ms. Ogden was appointed the Director of Housing, Planning and Development (HPD) overseeing the HOPE VI program.

During the subsequent months, the County Manager assigned a team focused on re-aligning resources and efforts to re-start pre-development and development activities. These activities had been stalled since the termination of the contracted project architect, Neil Hall, on November 1, 2004, and the issuance of a poorly conceived and structured RFP for the development of Phase 1 on December 23, 2005 was cancelled after arduous review and revisions during negotiations between Miami-Dade County and the Empowerment Zone Trust on December 15, 2005.

Oversight and resources for HPD were spread thin in the HOPE VI program. In addition to the focus on the Scott Carver project, there was the close-out process for the Ward Tower Assisted Living Facility (ALF), and the effort to reorganize the troubled HPD Division, all within an agency that had significant organizational deficiencies. The assistance of the OIG in performing the audit was welcomed. Only when the OIG auditor brought the poor administrative practices of the HOPE VI Coordinator (R. Levis), a grade 7 manager, to the attention of the newly appointed HPD Director, did she further scrutinize and delve into a more comprehensive review of her staff's invoice review process. It is worthy to note that the HOPE VI program continued to receive recognition and praise from the industry and HUD, in contrast to the apparent irregularities found by the OIG. During the audit, the HOPE VI Coordinator, responsible for program oversight, retired in July, 2006 at MDHA's request. The MDHA HOPE VI CSS Coordinator (L. Taylor) retired in May, 2006 and subsequently all remaining former CSS staff, including those responsible for invoicing and expenditure support were transferred from the program.

While the audit was narrowed to focus on the CSS program (addendum 4), the OIG draft report seems to intertwine addenda No. 3 and No. 4 to the extent that the MDHA staff reviewing this audit question what documents and explanations former staff provided to the OIG. For example, the report indicates that additional administrative payments were made to H.J. Russell under addendum No. 4 when, in fact, they were only allowable under addendum No. 3. Furthermore, invoices were erroneously coded by former HOPE VI staff and charged to different budget codes on an apparent random basis. No. This invoicing process added confusion to a complicated contract that laid out milestones and period based payments and had many addenda and supplemental agreements that revised previous basic services, preceding addenda and supplemental agreements. Additionally, the H.J. Russell contract terms and basic services were not clearly modified as the program continued to lag. The poorly defined contract administration implemented by the former HOPE VI Director and former HOPE VI Coordinator created many difficulties, still unresolved. Finally, it remains unclear what USHUD approved for the CSS program. Current available records utilized in this audit include the final 2003 CSS Plan dated April 17, 2003 and USHUD correspondence dated December 2, 2004, approving the Plan. Former HOPE VI staff contends that a 2003 modified plan was approved and the matrix specifying services totaling \$5,163,788.00 was revised. Such

records are yet to be found, and the matrix in the 2003 Plan is in conflict with the contract and aforementioned addendum No. 4.

Below are our responses to each finding:

- **Finding No. 1:** *MDHA has spent \$0.85 out of every one dollar for inadequate program administration and case management services for program services versus only \$0.15 for program services that benefit directly the client population.*

Response:

MDHA disagrees with this finding that case management is not a direct service to the client. To classify case management as an administrative charge is not accurate and the conclusion of the OIG reduces the dollars spent directly for client services. Case management includes outreach, comprehensive assessment and evaluation of clients and other supportive services that are categorized as supportive services provided to the former Scott Carver residents. Please see memorandum from Dr. Carolina Montoya, Acting Director for the Department of Human Services (DHS) for additional information regarding the activities performed by DHS in the CSS portion of the HOPE VI project. (Attachment B)

- **Finding No. 2:** *MDHA has paid the H.J. Russell \$299,857, under Addendum No. 4, for performing administrative services already required by and paid for under the contract.*

Our review of Addendum No. 4 indicates that H.J. Russell was to receive payment for the CSS providers. Further review has brought to light that former HOPE VI staff may have implemented Addendum No. 4 incorrectly thus allowing for H.J. Russell to receive administrative payments. The information currently available does not allow us to conclusively respond to this finding.

MDHA issued H.J. Russell a Notice of Non-Renewal and Notice to Cure on August 11, 2006 demanding that five critical categories of documentation that remain outstanding be submitted by H.J. Russell within specific deadlines. MDHA is also reviewing its invoicing and payment records. If fees were paid to H.J. Russell that were non-compliant with Addendum No. 4, MDHA will require H.J. Russell to repay accordingly.

- **Finding No. 3:** *MDHA did not provide effective monitoring functions overseeing H.J. Russell activities despite paying itself over \$900,149 for the salary and benefits of two individuals dedicated solely to providing CSS Program oversight and monitoring.*

We agree with this finding. MDHA is restructuring the entire agency to implement sound management practices and better manage the oversight of

contracts. The HOPE VI office has already been restructured and sound management practices are being implemented.

- **Finding No. 4:** *H.J. Russell did not implement an effective monitoring function overseeing CSS Program service providers despite receiving over \$920,000 in payments to provide administrative and program management services, some portion of which it should have dedicated to providing the required function.*

We agree with this finding. MDHA issued H.J. Russell a Notice of Non-Renewal and Notice to Cure on August 11, 2006 demanding that five critical categories of documentation that remain outstanding be submitted by H.J. Russell within specific deadlines. MDHA is also reviewing its invoicing and payment records. If fees were paid inconsistent with the contract terms for these services, MDHA will require H.J. Russell to repay accordingly. As a note, we are aware, through direct communication with DHS and other service providers that former Scott Carver residents did receive many of the intended services and relocation did occur. In early 2006 we corrected the problem identified in this finding by requiring contract compliant backup document to justify service provider expenses.

- **Finding No. 5:** *MDHA paid DHS for inadequate case management services.*

Please see DHS memorandum for an explanation of case management and other direct services provided by DHS. (Attachment C) From the perspective of the HOPE VI program objectives which include fostering self sufficiency to enable former residents to qualify for homeownership, it appears that the community supportive services have been effective. In spite of the lack of a database which is discussed in Finding No.7, to date, 29 former Scott Carver families have purchased homes and 14 have entered into pre-sales agreements for homes being built in Phase I by Habitat for Humanity.

- **Finding No. 6:** *MDHA paid \$212,597 for H.J Russell to develop a database but instead received a spreadsheet.*

We agree with this finding. MDHA issued H.J. Russell a Notice of Non-Renewal and Notice to Cure on August 11, 2006 demanding that five critical categories of documentation that remain outstanding be submitted by H.J. Russell within specific deadlines. MDHA is also reviewing its invoicing and payment records. If fees were paid inconsistent with the contract terms for this database, MDHA will require H.J. Russell to repay accordingly.

- **Finding No. 7:** *The absence of a functional CSS database had adverse repercussions throughout the entirety of the CSS Program, and the even larger HOPE VI Revitalization Program.*

We agree with this finding and have referred this to the County Attorney's Office for remediation.

- **Finding No. 8:** *MDHA approved and H.J. Russell was paid, \$163,536 for Milestone 5 through 8, absent any supportive documentation indicating performance of milestone completion.*

The information to address this finding is not in our files. MDHA issued H.J. Russell a Notice of Non-Renewal and Notice to Cure on August 11, 2006 demanding that five critical categories of documentation that remain outstanding be submitted by H.J. Russell within specific deadlines. MDHA is also reviewing its invoicing and payment records. If fees were paid inconsistent with the contract terms for these services, MDHA will require H.J. Russell to repay accordingly.

- **Finding No. 9:** *MDHA personnel manipulated data reported to H.J. Russell to show conformity with the 80% completion goal of Milestone 8.*

From the information presented in the OIG report, it appears that the finding may be correct, however, we would like the opportunity to investigate this further to determine the intent of the invoice modification.

- **Finding No. 10:** *Several years later, there is still no concurrence between MDHA and H.J. Russell of how the CSS Program performance milestones are to be measured.*

Due to the inadequate contract administration, we agree with this finding. MDHA issued H.J. Russell a Notice of Non-Renewal and Notice to Cure on August 11, 2006 demanding that five critical categories of documentation that remain outstanding be submitted by H.J. Russell within specific deadlines. MDHA is reviewing contract correspondence and will establish milestones, to the extent possible, as they will be necessary to reconcile the contract close-out.

- **Finding No. 11:** *H.J. Russell included clients receiving other services-not part of the CSS program-towards its 80% goal.*

We believe that this finding is related to Finding No. 10 and will be addressed by MDHA during the H.J. Russell contract close-out process.

- **Finding No 12:** *MDHA did not complete a key CSS Work Plan and USHUD requirement to contract for a MDHRP evaluator.*

We agree with this finding. MDHA will consult with HUD to determine if an evaluator is still a requirement at this point in the program implementation. If one is required, MDHA shall comply.

- **Finding No. 13:** *MDHA approved Supplemental Agreement No. 2 allowing H.J. Russell to restructure \$255,052 of milestone-base payments as period-based payments and to front-load the payment schedule by \$92,722 for work not done.*

We agree that Supplemental Agreement No. 2 allowed for restructuring of payments. MDHA issued H.J. Russell a Notice of Non-Renewal and Notice to Cure on August 11, 2006 demanding that five critical categories of documentation that remain outstanding be submitted by H.J. Russell within specific deadlines. MDHA is also reviewing its invoicing and payment records. If fees were paid inconsistent with the contract terms for these services, MDHA will require H.J. Russell to repay accordingly.

- **Finding No. 14:** *H.J. Russell did not provide contractually required progress schedules that were to have been supportive of \$1,530,308 of period-based payments.*

H. J. Russell provided monthly reporting however they did not provide the bar charts progress schedule. MDHA issued H.J. Russell a Notice of Non-Renewal and Notice to Cure on August 11, 2006 demanding that five critical categories of documentation that remain outstanding be submitted by H.J. Russell within specific deadlines. MDHA is also reviewing its invoicing and payment records. If fees were paid inconsistent with the contract terms for these services, MDHA will require H.J. Russell to repay accordingly.

- **Finding No. 15:** *MDHA did not timely submit for BCC ratification the original contract, the two supplemental agreements and the first eight change order addendums.*

MDHA staff was advised by the County Attorneys Office that staff was authorized to make any and all contract changes required to complete the HOPE VI project. This direction was revised in January, 2006.



**ATTACHMENT A**

August 11, 2006

**Office of the County Manager**  
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 Procurement  
 Property Appraiser  
 Public Library System  
 Public Works  
 Safe Neighborhood Paris  
 Seaport  
 Solid Waste Management  
 Strategic Business Management  
 Team Metro  
 Transit  
 Urban Revitalization Task Force  
 Vizcaya Museum and Gardens  
 Water and Sewer

**Mr. Paul Perdue**  
**H.J. Russell & Company**  
**504 Fair Street, SW**  
**Atlanta, Georgia 30313**

**Re: Notice of Non-Renewal of Contract**

**Dear Mr. Perdue:**

Pursuant to Article 5 of HOPE VI Program Manager Contract No. 251, executed August 16, 2001, Miami-Dade County (hereinafter the "County") has the sole discretion to renew the Contract for a two (2) year period on a year-to-year basis. The County has determined that it is not in its best interest to renew H.J. Russell and Company's (hereinafter the "H.J. Russell") Contract, and therefore exercises Article 5 rights of non-renewal.

In accordance with Article 36 e, the County requests that all reports, plan surveys, information documents, tapes and recordings, maps, electronic files, other data and procedures, developed, prepared, assembled or completed by H.J. Russell be delivered to the County by August 16, 2006. In particular, the following critical documents remain outstanding and must be delivered to the HOPE VI Office by this date:

1. Pursuant to Addenda 1 & 2 of the Contract, H.J. Russell was engaged to administer the County's Beautification Program. As required by Article 9 of the Contract, in order for the County to reimburse H.J. Russell, "all invoices shall be taken from the books of account kept by the Contractor, shall be supported by copies of payroll distribution, receipt bills, or other documents reasonably required by the County and shall show the County's contract number." To date, many requests have been made by MDHA to H.J. Russell to provide complete supporting documentation for each invoice submitted to MDHA that justifies the expenses on each home that benefited from the Beautification Program.
2. Pursuant to the Contract and Addenda 3 & 4, H.J. Russell was engaged to provide oversight and administration of the Community and Supportive Services (CSS) Program. Pursuant to Article 9 and 29 of the Contract, the County and the Miami-Dade Office of the Inspector General requested that H.J. Russell provide complete supporting documentation to justify the expenses for invoices submitted to MDHA.
3. Pursuant the Contract, Appendix A, Scope of Services, Section 2.6 Self-Sufficiency and Supportive Services, as Program Manager, H.J. Russell is responsible for creating and maintaining a CSS database. To date, H.J. Russell has not provided the County with this database.

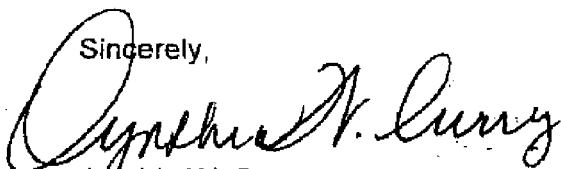
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4. Pursuant to Addendum 6, executed on August 16, 2004, and the accompanying Memorandum of Understanding executed on September 21, 2004, H.J. Russell was engaged to administer the Single Family (Detached) Rehabilitation Loan Program. The County's records indicate that almost half of the administrative, engineering and recruitment fees (approximately \$175,000) have been expended for the Rehabilitation Program and approximately \$118,000 for completed projects from an allowable \$2,000,000.00. Since the execution of this Addendum more funds have been expended on administrative activities than actual construction rehabilitation and only a handful of homes have been rehabilitated. Pursuant to Article 17 of the Contract, the County has the right to access and examine all books, documents, and records pertaining to any aspect of the Contract. Therefore and notwithstanding any previous request for documentation, the County hereby exercises its right to access and examine of books, documents, and records. In the alternative, H.J. Russell can provide all related documentation pursuant to Article 36 e.
5. Pursuant to Supplemental Agreement No. 1 of the Contract executed on May 10, 2002, H.J. Russell is required to submit Bar Chart Timelines with its monthly progress reports. To date, these have not been provided to the County.

H.J. Russell's failure to comply with the Contract shall be deemed an Event of Default under Article 24. Thus, if H.J. Russell fails to submit all required documents and other records to the County by August 16<sup>th</sup>, then please consider this letter to serve as the County's Default Notice as required by Article 25. Pursuant to that article H.J. Russell shall have an additional twenty-four (24) days to cure the default. If any deficiencies are not cured within this time, the County shall avail itself of any or all of the remedies set forth in Article 26.

We look forward to working with you to close out your contract.

Sincerely,



Cynthia W. Curry  
Senior Advisor/Interim Director

- c: George Burgess, County Manager  
Terrence Smith, Assistant County Attorney  
Elizabeth Ogden, R.A., Director, Housing, Planning & Development  
Norma Armstrong, Procurement Contract Officer  
Jerome Russell, President, H. J. Russell

## Memorandum



**Date:** August 7, 2006

**To:** Cynthia W. Curry  
Senior Advisor to the County Manager  
*E. Carolina Montoya*

**From:** E. Carolina Montoya, Psy. D.  
Acting Director  
Miami-Dade County Department of Human Services

**Subject:** DHS HOPE VI Community Supportive Services Program

## ATTACHMENT B

In August 1999, Miami-Dade Housing Agency (MDHA) was awarded a US HUD HOPE VI Revitalization Grant for \$35 million for the revitalization of the Scott Homes and Carver Homes public housing sites for very low to low income families. Miami-Dade County Department of Human Services (DHS) was contracted in 2002 to provide, through an interdepartmental agreement, human services support to residents of both projects. This program is designed to work with the MDHA to assist residents of Scott Homes and Carver Homes to become self-sufficient. HOPE VI assists residents of these housing developments to obtain outreach, community supportive services, job training skills, high school or equivalent education, economic development, home-maintenance management and ownership development, job search, placement, and retention.

DHS' HOPE VI Community Supportive Services Program staff assisted residents in Scott Homes (754 public housing units) and Carver Homes (96 public housing units), by providing counseling and relocation services to the existing residents and continued ongoing supportive services to these families. Services include outreach, comprehensive assessment and evaluation, formulation of an Individualized Service Plan, case management, community supportive services, job training, technical/vocational training, high school equivalency education, employment preparation/placement, homeownership counseling, youth activities, elderly services, and motivational counseling. These human services were coordinated with the MDHA as part of the Agency's Redevelopment Plan for the two housing developments. Because of the magnitude of the project, DHS has been contracted for both phases.

Phase I of DHS' HOPE VI Community Supportive Services Program was associated with social services support required for the relocation of residents in order for the demolition of existing units, additional site improvements, renovations to existing facilities, installation of new infrastructure and construction of new units. As a result of DHS' efforts, 152 residents of the Scott Homes and Carver Homes were assisted with direct relocation to Section 8 housing. Phase I began in July 2002 through December 2005. Staff of 10 employees included: 1 Social Services Supervisor, 1 Office Support Specialist II, and 8 Community Family Service Workers. MDHA reimbursed the Department for Phase I as follows: July 2002 through December 2002 - \$130,000; January 2003 through December 2003 - \$432,577; January 2004 through December 2004 - \$505,915 and January 2005 through December 2005 - \$546,000 for a total of \$1,614,492. Phase I, was completed and the Department met all its contractual obligations by providing tracking of approximately 651 former/current Scott and Carver clients (19 to 64 years of age) through monthly contacts. Clients were provided outreach, comprehensive assessment and evaluation, formulation of an Individualized Service Plan, referral for supportive services (i.e. transportation, child care, etc.), employment, job training, education, credit history repair and homeownership responsibility training. The profile of the residents of public housing (MDHA

Demographics: MIS Division, Housing Authority Data System) shows that 92 percent of the head of households were single women; head of households between 20 and 40 years of age represent 72 percent of the population; the median number of dependents per household is 3.8; and the percentage of residents with no training or skills is 63 percent.

The following is a breakdown of individuals served by service category during Phase I-July 2002 through December 2005:

Phase I Services	Description	Numbers Served
Outreach	Number of residents of the Scott and Carver Homes Projects provided information on the Revitalization Project and the availability of social services through the DHS HOPE VI-Community Supportive Services Program.	1,236
Comprehensive Assessment and Evaluation, Including Individualized Service Plans	Number of residents requesting social services requiring the development of an Individualized Service Plan to identify educational level, career goals, homeownership potential, credit history, supportive services needs (i.e. transportation, child care, etc.)	651
Case Management	Each worker was assigned a caseload of approximately 81 residents for intensive monitoring of the Individualized Service Plans. Number of residents assisted with eviction notices, Section 8 lost vouchers, landlord tenant issues, transportation, child care, domestic violence, mental health, substance abuse, parenting and other crisis issues.	651
Community Supportive Services	Number of residents provided: Transportation: bus passes provided for transportation to and from referrals and employment services. Child Care: families referred for subsidized child care.	1,609 100
Job Training, Technical/Vocational Training	Number of residents referred to nursing, carpentry skills, bank tellers, etc. skills training.	204
High School Equivalence Education	Number of residents enrolled in coursework to obtain a high school diploma or GED equivalency.	46
Homeownership Counseling/Credit History Repair	Number of residents enrolled in homeownership training and who completed homeownership counseling through HOPE VI.	239
Youth Activities	Number of youth 14 to 21 provided referrals to recreational/cultural activities, including mentorship activities. Partners included: Boys and Girls Club of Miami, Urban League of Greater Miami, Belafonte Talcolcy, MADD Dads, etc.	100
Elderly Services	Number of elderly residents 60+ provided relocation, special activities, and transportation to health and social services.	84
Motivational Counseling	Number of residents participating in Homebuyers Club that were provided with information on the real estate market and the benefits of investing in homeownership.	350
Job Placement	Number of residents placed in unsubsidized employment.	372

In Phase 2, DHS continues providing in accordance with US HUD Return Policy, first former residents with homeownership, employment and job training skills consistent with the goals established in the DHS HOPE VI Community Supportive Services Interdepartmental Agreement for the two housing projects. DHS will continue to work with the residents to facilitate that the percentage of families refusing services does not exceed 20 percent of the actual number of clients served through year ending 2004. Access to the entire continuum of County human services is provided to the residents as part of the interdepartmental agreement. Phase II continuation funding is \$548,103. This covers the cost of 10 direct service staff. The Social Services Supervisor I, in Phase II, is responsible for directing the daily operations of the DHS' HOPE VI Community Supportive Services Unit and handles difficult cases. The Office Support Specialist II collects the data and tracks HOPE VI residents and the Unit's performance. The remaining 8 Community Family Service Workers are providing individual and group counseling, case management and referral for supportive services (i.e. transportation, child care, etc.), financial management support, credit repair services, job training skills, referrals for high school or equivalent education, economic development, home-maintenance management and ownership skills development, job search, placement, and retention. In addition, DHS HOPE VI Community Supportive Services is providing concentrated services to elderly residents who are age 60+ by providing homeownership training, credit history repair, development of an Individualized Service Plan, and transportation to health, social services and other special activities. Access to the Department's Elderly, Disability and Veterans Services Division allows residents referral to culturally sensitive adult day care, specialized senior centers, meals, recreation, health support, transportation, home care and care planning services.

The following is a breakdown of individuals served by service category during the first six months of Phase II- January 1, 2006 through June 30, 2006:

Phase II Services	Description	Numbers Served
Tracking	Number of former resident that the DHS researched and located the last place of residency and engaged in the Phase II portion of the Rehabilitation Project.	1,116
Individual and Group Counseling	Number of former residents provided with individual and group counseling on parenting skills, domestic violence prevention, selection of quality subsidized child care, substance abuse prevention, etc.	100
Case Management	Number of former residents requiring Individualized Service Plans based on needs including assistance with eviction notices, Section 8 lost vouchers, landlord tenant issues, transportation, child care, domestic violence, mental health, substance abuse, parenting and other crisis issues.	544
Community Supportive Services	Transportation: bus passes provided for transportation to and from referrals and employment services.	360
	Child Care: families referred for subsidized child care.	21
Job Training, Technical/Vocational Training	Number of former residents referred to nursing, carpentry skills, bank tellers, etc. skills training.	39
High School Equivalency Ed.	Number of former residents enrolled in coursework to obtain a high school diploma or GED equivalency.	30

Economic Development Services	Number of former residents participating in entrepreneurial training through Tools for Change and Florida Memorial College Entrepreneurial Program geared to assisting former residents in developing business/financial plans and obtaining funding for personal business or home.	12
Home Maintenance Management and Ownership Skills Development	Number of former residents completing the 8 hour course on specific housekeeping techniques and on MDHA home maintenance standards. In addition, number of former residents with homeownership counseling geared to preparing the individuals for eventual homeownership including how to obtain down payments/loans towards home purchases.	280
Youth Activities	Number of youth 14 to 21 provided referrals to recreational/cultural activities, including mentorship activities. Partners included: Boys and Girls Club of Miami, Urban League of Greater Miami, Belafonte Talcoley, etc.	50
Elderly Services	Number of former elderly residents 60+ provided relocation, special activities, and transportation to health and social services.	84
Motivational Counseling	Number of former residents participating in weekly Homebuyers Club that were provided with information on the real estate market and the benefits of investing in homeownership.	2,210
Home Ownership	Number of former residents that have achieved home ownership as a direct result of intervention services by DHS HOPE VI Community Supportive Services. There are an additional 9 former residents in the process of obtaining homeownership.	20
Job Placement	Number of former residents placed in unsubsidized employment.	28
Job Retention	Number of former residents retaining employment after 180 days.	400

This partnership, between the MDHA and DHS, has allowed for a continuum of services that has assisted public housing residents in moving from dependency to self-sufficiency.

cc: Mac D. Bryant, Ph.D., Assistant County Manager

## Memorandum



**Date:** August 16, 2006

**To:** Mae D. Bryant, Ph.D.,  
Assistant County Manager

**From:** E. Carolina Montoya, Psy.D. *ECM*  
Acting Director  
Miami-Dade County Department of Human Services

**Subject:** Response to OIG Draft Report

ATTACHMENT C

This memo provides the Department of Human Services' response to departmental-related issues in the OIG Draft Report- (IG05-141A) submitted to Ms. Cynthia W. Curry, Senior Advisor/ MDHA Management Team, County Manager's Office. We have presented each paragraph as written on pages 17-19 of the report and provided a response accordingly. No response has been provided for paragraph #5 as this did not relate to DHS.

**FINDING No. 5: MDHA paid DHS \$1,695,914 for inadequate case management services.**

**1. OIG Findings/Comments**

MDHA paid DHS, through an inter-departmental agreement, \$1,695,914 (41% of the total amount paid for the CSS Program administration) from June 2002 through June 30, 2006, to provide case management services to the HOPE VI Scott/Carver Homes residents. DHS used this money to fund a HOPE VI CSS Unit comprised of eight (8) case managers, a supervisor and clerical/support staff, as per the calendar year 2005 agreement, to provide case management services to the Scott/Carver Homes residents. Types of residents included "head of households", "employable residents", all youth younger than 19 and the elderly.

**DHS Response/Comments**

Phase I of the DHS HOPE VI Community Supportive Services Program was associated with social services support required for the relocation of the Scott/Carver Homes residents in order to begin the demolition of existing units, additional site improvements, renovations to existing facilities, installation of new infrastructure and construction of new units. As a result of DHS' efforts, 152 residents were assisted with direct relocation to Section 8 housing. Phase I began in July 2002 through December 2005 with a staff of ten employees as described above. MDHA reimbursed DHS for Phase I as follows: July 2002 through December 2002 - \$130,000; January 2003 through December 2003 - \$432,257; January 2004 through December 2004 - \$505,915; and January 2005 through December 2005- \$546,000 for a total; of \$1,614,492.

**2. OIG Findings/Comments**

We were unable to ascertain that DHS files authoritatively documented the level of services provided to all Scott/Carver Homes residents, as reported by DHS in its periodic reports. Typically, a caseworker's hand written notations were all that documented a resident's use of services. There most often was no indication that the caseworker ever followed-up with the service provider to confirm that the resident successfully completed a program (e.g., job training) or how often a resident used a program (e.g., child or medical care). This additional step to confirm with the provider would have added a desirable degree of credibility to the DHS-reported results.

**DHS Response/Comments**

While we are unclear as to what "authoritatively documented the level of services" means, all client contacts were properly reflected and documented in the progress notes contained in each client file to include the achievement of individualized service goals, referrals, queries for services and results of case management efforts, in accordance with established DHS HOPE IV Community Supportive Services (CSS) Program policies and procedures. CSS Counselors follow-up on referrals within seven (7) working days to ascertain that the client accessed the services. The Counselor documents the outcome of the referral in the progress notes. If the client did not receive the services, further contacts are made with the client to determine if additional assistance is required in order to access the required services. If the community agency receiving the referral returns the referral form indicating the outcome of the referral, this document will be filed in the client's file as stipulated in the HOPE VI Community Supportive Services Policies and Procedures.

**2. OIG Findings/Comments**

Although not entirely the fault of DHS, but a procedural shortcoming, nonetheless, was that DHS did not review the service provider invoices. As the referring agency, DHS was in the best position to know the expected level of services based on its referrals, and the actual level of services provided based on its follow-up interviews with the residents, and, thus, best equipped to assess provider's invoiced amounts for accuracy and completeness. This would have been a logical and prudent step for DHS to take, if no other reason than to confirm its own data.

**DHS Response/Comments**

The scope of services contained in the interdepartmental agreement does not impose on DHS the responsibility to monitor or verify the invoices of other service providers. DHS as the case management service provider, is not in the audit and fiscal position to determine the validity of the invoices. However, DHS has the documentation available for an auditing agency to review and reconcile invoices.

**3. OIG Findings/Comments**

DHS, among other responsibilities is required to provide tracking of CSS enrolled individuals through monthly contact and to offer case management and referral for CSS Program eligible families that agree to participate in the program to recruit, design and deliver elderly services to 60-plus HOPE VI residents. In fact, thirteen percent (13%) of MDHA's payments to DHS fund its elderly services program. DHS is required to provide periodic reports of its activities.

**DHS Response/Comments**

DHS met all their contractual obligation during Phase I of the HOPE VI Rehabilitation Project as indicated in various audits/monitorings conducted by US HUD. As specified in the DHS HOPE VI CSS Program policies and procedures manual, mandatory monthly and quarterly programmatic reports were submitted to the Miami-Dade Housing Agency. The monthly reports provide the data elements to evaluate program outcomes and compliance with contractual obligations. The attached HOPE VI Community Supportive Services (CSS Unit) Revitalization Program Quarterly and Monthly Reports, capture the monthly/quarterly performance in the service categories, as required by the interdepartmental agreement. The interdepartmental agreement between DHS and the Miami-Dade Housing Agency did not provide for specific objectives for the elderly. The elderly were provided services as needed.



#### **4. OIG Findings/Comments**

We believe that we can reasonably impute that DHS was to provide and document the entire spectrum of services used by the Scott/Carver Homes residents/family members/etc., including counseling sessions (in-office or in-home) and referrals that were provided as part of a structured, comprehensive supportive services program. One important function should have been to conduct and document its follow-up efforts with the service providers and residents confirming their actual participation and use of services.

#### **DHS Response/Comments**

DHS followed departmental HOPE IV policies and procedures, in keeping with the requirements as outlined in the interdepartmental agreement. All client contacts, including the full spectrum of services provided to the Scott/Carver residents. All actions are documented in the client files to include: CSS caseload tracking, case management, relocation, employment preparation, placement and retention, support services, referrals and follow-ups.

#### **6. OIG Findings/Comments**

As discussed elsewhere in this report, the number of HOHs is still under dispute by MDHA and H.J. Russell. Only DHS reports employable residents but they do not correlate this count to the HOH count. In either case, DHS files should contain the authoritative source documents supporting the reported headcounts, services provided and other data should have been contained in the CSS database. Notwithstanding that the CSS database was never developed, DHS files still should be complete. In the absence of the CSS database, DHS used an Excel spreadsheet that was similar to the one by H.J. Russell, to track case management activities. As is the case with H.J. Russell's spreadsheet, this tool is insufficient to provide accurate, timely and current information about the totality of services provided to the residents.

#### **DHS Response/Comments**

DHS was not provided with information in order to conduct reconciliation against MDHA information by either MDHS or H.J. Russell. In the absence of a CSS database, DHS recorded all services provided in Excel spreadsheets as a basic means of compiling information. The spreadsheets were used to provide the required monthly and quarterly service reports. If a database is provided, DHS is in the position to enter any and all client information and level of services provided since program inception. The "authoritative document" used by DHS to determine the delivery of service are contained in the client case files, according to DHS/HOPE IV policies and procedures.

#### **7. OIG Findings/Comments**

Critical to the success of any supportive services program is the follow-up work by the caseworker. Telephone calls and in-person interviews are integral to this process but they should be supported by other caseworker actions to verify the resident-reported information. In particular, caseworkers should follow-up with the service provide to confirm the level of services actually provided or even if the resident appeared at the service provider location. We examined the 128 referrals contained in our 30 sample case files and found that only 4 referrals were completed and returned by the service providers and that only 2 of them indicated that the residents received the referred services. There is no evidence that DHS caseworkers contacted the service providers to check on the status of the referrals.

**DHS Response/Comments**

In keeping with national "best practices", specifically the standards established by the national Council on Accreditation (COA) and the National Association of Social Workers (NASW), DHS staff documents all client contacts and referrals to support the level of services provided. DHS/HOPE IV policies and procedures require that documentation be reflected in the client case file. All referrals are made on a referral form, but also documented in the case file. The referral form is forwarded to the service provider, who is expected to return the completed referral form. In the absence of a returned referral from the service provider, DHS staff will document the disposition of the referral. DHS staff has no control over other provider's ability to complete and return the referrals. We realize that only 30 cases of the possible 1,200 clients that have been served since program inception were checked. This number represents 0.02% of the total number of clients served and remains an insufficient amount of files to determine the level and accuracy of services provided.

**8. OIG Findings/Comments**

The OIG finds that the DHS HOPE VI CSS case management unit provided inadequate case management services. Moreover, the statistics supporting these activities do not correlate with other related data contained in the reports prepared and published by MDHA and H.J. Russell. We believe that case management services should have involved much more effort than reporting periodic caseworker's contacts and preparing referrals to the Scott/Carver Homes residents. Unfortunately, that is what DIIS provided for \$1,695,914. The OIG suggests that MDHA expeditiously follow up with DHS about the level of service that it has been providing to the residents.

**DHS Response/Comments**

DHS does not support the opinion that the case management services provided were inadequate. DHS can substantiate the use of the \$1,695,914, to fund the direct service staff; and their work is principally documented in the client case files. Ancillary operational expenses for the program were provided in-kind. Statistics drawn from the case files are consistent with the level of services agreed upon in the interdepartmental agreement. Since program inception, DHS' HOPE VI CSS program staff assisted 850 Scott/Carver Homes residents by providing counseling, relocation services and continued supportive services to these families. Services included outreach, comprehensive assessment and evaluation, formulation of Individualized Services Plans, ongoing case management, referrals to community supportive services, job training, technical/vocational training, high school equivalency education, employment preparation/placement, homeownership counseling, youth activities, elderly services, and motivational counseling.

Because of the magnitude of this project DHS was contracted for Phase I and II of the project. Phase I of DHS' HOPE VI CSS Program was associated with social services support required for the relocation of residents in order for the demolition of existing units, additional site improvement, renovation of existing facilities, installation of new infrastructure and construction of new units. As a result of DHS' efforts, 152 residents of the Scott/Carver Homes were assisted with direct relocation to Section 8 housing. Phase I began in July 2002 through December 2005. Phase I was completed and DHS met all its contractual obligations by providing outreach services to 1,236 clients and tracking of approximately 651 former/current Scott/Carver Homes clients (19 to 64 years of age) through monthly contacts.

In Phase II, DHS continued to provide services in accordance with the US HUD Return policy, first former residents with homeownership, employment and job training skills consistent with the goals

established in the DHS HOPE VI Community Supportive Services interdepartmental agreement. DHS continues to work with the residents to facilitate that the percentage of families refusing services does not exceed 20% of the actual number of clients served to year ending 2004. Access to the entire continuum of County human services is provided to the residents as part of the interdepartmental agreement. During Phase II, a total of 1,116 former residents have been researched and located to their last place of residency.

Cc: Phyllis Tynes-Saunders, DHS  
Maritza Alonso, DHS

**MIAMI-DADE OFFICE OF THE INSPECTOR GENERAL**  
**Final Audit Report**  
*Miami-Dade Housing Agency's HOPE VI Revitalization Program Contract No. 251*  
*Audit of the Professional Services Agreement with H.J. Russell & Company*  
*For Community and Supportive Services Program Management Services*

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**OIG**  
**APPENDIX B**

**H.J. RUSSELL & COMPANY RESPONSE**

August 24, 2006

# Greenberg Traurig

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August 23, 2006

## Via Hand Delivery

Christopher R. Mazzella  
Inspector General  
Miami-Dade County  
19 West Flagler Street, Suite 220  
Miami, FL 33130

**Re: OIG Draft Report—IG05-141A**

Dear Mr. Mazzella:

This firm is counsel to H.J. Russell & Company (“Russell”) and we are responding to the Draft Audit Report (the “Report”) of the Office of the Inspector General (“OIG”), dated August 9, 2006, regarding the Professional Services Agreement between Russell and the Miami-Dade Housing Agency (“MDHA”) for the HOPE VI Revitalization Program.

### INTRODUCTION

For more than 50 years, Russell has been a leader in the construction and real estate development industries. It is the largest minority-owned real estate and construction company—and the fourth largest minority-owned business of any kind—in the United States. Russell has pursued its twin goals of excellent service to its clients and model corporate citizenship.

Russell has a proven track record managing HOPE VI projects around the United States. It was selected for Miami-Dade County’s project because of its previous success. Russell has worked diligently and in good faith with its client, MDHA, to achieve positive results in all phases of the HOPE VI program. Russell met its obligations with respect to the Community Support Services Program (“CSS”), monitoring and communicating to MDHA the progress of residents associated with the program. MDHA reviewed and approved each step of Russell’s progress and achievement. MDHA accepted and ratified modifications to the goals and visions of the program, including the means and methods of measuring their achievement. Each step of the program was documented with invoices and reports that were reviewed, approved and accepted by MDHA.

During the course of its contract with MDHA, Russell was in constant contact with its client—in writing, by telephone and in person—and the reporting relationship was defined through a consistent pattern of practice and course of performance of HOPE VI Contract No. 251 (the “Contract”) according to the client’s wishes. Russell was completely accessible to its client.

When MDHA wanted to verify any aspect of the CSS program, it literally need only run across the hall. For over a year, MDHA allocated space within its own office to Russell in order to facilitate direct communication between client and contractor. Additionally, Russell's field office was located on property owned by MDHA until mid July 2006.

The Report's over-arching claim that MDHA approved invoices with inadequate documentation from Russell is belied by the fact that MDHA witnessed Russell's performance every single day and approved of that performance at each stage of the project. Russell did not operate in a vacuum, free from the oversight of its client and the public. Rather, Russell was in daily contact with representatives from MDHA who were an integral part of the day-to-day decision-making team. In that regard, Russell has been performing with the full direction and approval of its client.

Russell's expectation with regard to the CSS program was to provide its client with assistance "in the day-to-day coordination, oversight, and management of all [HOPE VI Revitalization Plan] activities," and "to "act under the supervision of MDHA staff in the procurement, supervision and coordination of the supportive service providers." Appendix A to the Contract, § 2.2 ("General Responsibilities") and § 2.6 ("Self-Sufficiency and Supportive Services").

Russell respectfully, but unequivocally, objects to each and every Finding of the Report as it relates to Russell. The Report's fifteen Findings can be distilled into two distinct categories:

- Issues surrounding Russell's administration of the CSS: These Findings relate to Russell's documentation of its milestone achievements (Findings 8, 10 and 11); Russell's entitlement to certain period-based payments (Findings 2, 4, 13 and 14); and Russell's obligation to produce a CSS database (Findings 6 and 7).
- Failures on the part of MDHA (Findings 1, 3, 5, 9, 12 and 15): These Findings focus on MDHA's internal disarray, which cannot be attributed to Russell.<sup>1</sup>

As this Response details, Russell performed as required under the Contract; where performance did not meet the precise specifications of the Contract, it satisfied the spirit of the Contract, and MDHA waived strict compliance and any right to relief asserted in the Report, by expressly and repeatedly approving Russell's performance under the Contract, accepting said performance and consenting to pay Russell for its specific performance under the Contract.

Many of the OIG's Findings concerning Russell are based upon flawed and/or incomplete information supplied by MDHA. The simple fact is, Russell would not receive payment from MDHA had it failed to execute its contractual obligations to its client's satisfaction.

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<sup>1</sup> Finding No. 1 (Table 2) states that 85 cents out of every dollar spent by MDHA was expended on administrative services. This finding may be misinterpreted, because the 85% ratio includes expenses that were not strictly administrative. For example, it includes the salaries of DHS case workers and other support staff who provided direct services to CSS clients.

## **DISCUSSION**

### **I. Milestone Documentation**

The Report asserts that Russell did not adequately document its entitlement to certain performance-based payments (Milestones 5 through 8, as identified in the Exhibit C-4 of the Contract), could not agree with MDHA on how CSS milestones should be measured, and included non-CSS individuals in its Milestone 8 reporting. Milestones 5 through 8 require Russell to provide support services (e.g., education, vocational training, employment counseling, etc.) to 20%, 40%, 60% and 80% of residents, respectively, before being entitled to payment under the Contract. Findings 8, 10 and 11 question whether Russell can prove it met these goals. Russell objects to these findings, because it has met the individual Milestones.

#### **A. Milestone Achievement Documented**

Russell submitted invoices to MDHA for Milestones 5 through 8. Contrary to the suggestions in the Report, Russell also produced documentation to support its invoices and spreadsheets. MDHA conditioned payment of the invoices on its satisfaction with the backup documentation provided.

Before Russell received payment for reaching the respective milestones, its invoices were systematically reviewed and approved by no less than three MDHA officials. On more than one occasion, MDHA requested that Russell provide supplemental documentation, including: a listing of the names and status of the residents and former residents who were either enrolled in a self-sufficiency program, had completed a self-sufficiency program or were currently employed; and the specific programs in which they were enrolled. MDHA has been adamant in receiving backup documentation before paying invoices. The MDHA employee referred to in the Report was particularly meticulous in his auditing of Russell's submissions and would not have signed off on unsupported invoices.

#### **B. Milestone Measurements Legitimate**

The Report takes issue with the inclusion of Family Self-Sufficiency Program ("FSSP") participants toward CSS milestones. The implication that participation in the programs is mutually exclusive directly contradicts the relationship they maintain: HOPE VI's CSS and the County's FSSP are interlocking and overlapping programs. ...from OIG report, p. 33: "we do know that the FSSP is an on-going MDHA-sponsored program that was operating before and then concurrently with the HOPE VI CSS Program and is an integral part to the entirety of the HOPE VI Revitalization Program." From the outset, this inclusion was rationally based and always disclosed to MDHA. For example, the milestone descriptions on billing Exhibit C-4 document the progress of the residents formerly on welfare, who are "now enrolled in self-sufficiency program, now have completed a self-sufficiency program, or now employed."

Russell consistently worked cooperatively with MDHA to enroll residents in the FSSP, and actively assisted the County in its administration of the program. This information was not new to anyone at MDHA. The fact that Russell regularly registered individuals for this program was presented at many of the Community Task Force meetings. For example, the Home Ownership Program, administered by Russell as part of the CSS program required enrollment in FSSP. Therefore, to exclude FSSP participants from Russell's milestone tally would be completely unjustified. Simply put, it is illogical to imply that an individual's participation in FSSP would invalidate his inclusion in CSS. Moreover, Russell documented this information in many of its monthly status reports.

The Report alleges that Russell "thwarted the OIG's review of the records analyzed by MDHA personnel because it took its records back after the OIG had met with MDHA personnel." (Report at p. 31.) This is an unfair characterization of the events that transpired. The initial report submitted to the OIG—through MDHA—for CSS services provided was incomplete. When, in a meeting with MDHA and the OIG, the CSS records were requested, Russell stated that it was giving the MDHA a partial production of original records, because the request did not allow ample time to copy all of the documents from Russell's files. Russell received assurance that it would be allowed to retrieve those originals for copying, and to supplement them with the remainder of the documentation requested. The suggestion that such supplementation undermined the OIG's audit is unwarranted, because supplementation was expressly agreed to at this meeting.

## **II. Periodic Payments**

### **A. Addendum No. 4 Entirely Appropriate**

The Report asserts that the fees paid to Russell pursuant to Addendum No. 4 to the Contract were duplicative of fees already paid for the same administrative services. This is incorrect. Russell received \$299,857.00 under addendum No. 4 because, at the time the original Contract was executed, there was no way of knowing the magnitude of the administrative work that would be required. At that point, neither Russell nor MDHA had identified the number of service providers, who they were and the extent to which Russell's involvement with them would be required.

Section 2.6 ("CSS Master Budget") of Appendix A to the Contract states:

The Contractor will also prepare, and submit for approval to MDHA, the CSS Master Budget Sources and Uses of Funds for the HOPE VI CSS Work Plan, and the cost of all the supportive services required to implement it. After approval ... the Contractor will select the required service providers. . . . The CSS Master Budget will then be revised to reflect the costs of the selected service providers and submitted for approval to MDHA.



(Emphasis supplied.) The parties to the Contract understood that it specifically contemplated the authorization of revisions to the budget to account for unexpected costs.

The CSS services required for this project were much more extensive than identifying and managing the Services providers. This became a reality only after Russell was on board and working with MDHA. Once Russell's management of the CSS Program began, it became clear that its budget was inadequate to deliver the required services properly. The revised budget was discussed with MDHA, agreed upon, and submitted to HUD for approval before Addendum No. 4 was submitted and approved by MDHA.

MDHA elected to make countless revisions to the format in which the HOPE VI project was to proceed. There were significant changes to the basic implementation concept of planning and building the new community. Correspondingly, the level of Russell's involvement with its CSS clients mushroomed beyond what was originally anticipated by either Russell or MDHA. This created much more front-end CSS work due to the continuous planning and implementation interruptions.

Each new planning concept garnered (often unflattering) media coverage, created a negative reaction in the community and necessitated weeks of additional planning and community meetings, letters, visits, etc. before planning was allowed to continue. Russell, as Project Manager, had to absorb these costs through extensive community outreach.

**B. Russell's Oversight of CSS**

The Report asserts Russell neglected its duty to audit the CSS service providers. This is incorrect. Russell maintains close contact with each service provider, in every aspect of the project. Before submitting for payment, Russell reviewed every invoice from each CSS service provider and contractor. Russell staff and management developed an effective audit system, whereby they reviewed all bills for accuracy and conducted a detailed review of the provider's documentation to reconcile them with the expectations established by the individual contracts. This established auditing policy was a customary practice for Russell, and numerous instances of adjustments to providers' bills prior to submission to MDHA.

The invoices and back-up information provided to MDHA demonstrate that all invoices were provided with information representing monthly performance expectations from those providers and actual amounts paid based on performance.

**C. Supplemental Agreement No. 2 Entirely Appropriate**

The Report suggests that there was no compelling reason for MDHA to restructure the payment schedules, which occurred pursuant to Supplemental Agreement No. 2. This is incorrect. Supplemental Agreement No. 2 modifies the 50/50 original payment allocation for period-based progress payments to a 60/40 allocation. The period-based and performance-based payments

were revised in order to accommodate critical, unexpected, additional work in the program. The rationale was evident when, after the program had been running for approximately one year, Russell analyzed the available financials, which demonstrated that MDHA's payments were not keeping pace with Russell's cash outlays. Essentially, Russell was operating at a loss, and the slight modification of its payment schedules rectified the problem.

Moreover, Supplemental Agreement No. 2 was fully vetted during meetings with HUD representatives, where Russell and MDHA jointly presented the proposed modification. HUD reviewed and approved the schedule restructuring. The agreement was prepared by the County and ratified by the Board of County Commissioners.

D. Russell's Monthly Summaries Fully Briefed Progress Schedules for MDHA

The Report complains that Russell did not provide "bar charts" detailing its progress schedule. Russell's client, MDHA, made the decision that the progress updates should be presented in an alternate format.

At the outset of the program, Russell provided a comprehensive project schedule to MDHA on at least two separate occasions. In addition to that, Russell submitted a 15-page detailed HOPE VI Project Work Plan for review and approval by the client. Russell provided these items to the HOPE VI Director. However, the Director indicated a preference for a scaled-down "executive summary" version of the detailed timeline charts, and Russell commenced submitting simpler Executive Summary reports to satisfy its HOPE VI responsibilities. Since there was daily contact between Russell and MDHA, this appeared to be a reasonable request. Russell objects to the Report's questioning of the decision to conform its presentation of the schedules to the preferences of its client, MDHA. In any event, Russell provided progress updates, albeit in a different format, which were deemed acceptable by County officials.

In Finding No. 14, the Report misapprehends the description of Stage 5 in Exhibit C-3 to the Contract. Specifically, Stage 5 covers the period up to "completion of site-work and construction" or for a maximum of 48 months. Russell commenced site-work engineering and building construction plans and specifications in 2002. As a result of the many changes to the implementation process, as described below, this phase has continued for many more months than originally anticipated. During this time, MDHA paid Russell for the continuous redesign and planning of the project, including: oversight of numerous upgrades to the Rental Term Sheets developed by the financial analyst; repeated modifications to engineering plans; planning and implementation of the demolition and infrastructure installation phases; development and submission of draft RFPs for developers and other subcontractors; oversight and development of the Developers' Forum; and identification of participants and developing a plan for the Small Contractor Inclusion Project. These activities have required the continuous and sustained efforts of Russell's management and staff. The Report's allegation that Russell has been paid for "virtually no construction" is based upon a fundamental misunderstanding of the construction industry.

### III. Database

In Findings 6 and 7, the Report asserts that MDHA paid Russell to produce and deliver a CSS database, that Russell failed to do so and that this failure has had “adverse repercussions” on both the CSS program and HOPE VI in its entirety. Russell objects to these findings, particularly since MDHA was kept constantly apprised of the progress of the CSS program, at a minimum through Russell’s monthly reports. MDHA requested additional milestone documentation from Russell, and would not and did not pay Russell’s invoices until it was satisfied that the information was sufficient.

The Report’s principal complaint that Russell reported the progress of the CSS program in the form of a “spreadsheet,” and that this did not constitute the “database” contemplated by the Contract. This distinction is one of linguistics, form over substance. Moreover, MDHA ratified Russell’s performance through its own course of conduct over the course of four years. The spreadsheets therefore met the requirements of the Contract.<sup>2</sup>

The CSS information submitted to the MDHA was retained in the same format as received from DHS. MDHA contracted directly with DHS to provide case management services and informed Russell from the very start of this project that the quarterly HUD reports required under the Contract were not to be submitted by Russell, but would be submitted by MDHA with information received from both DHS and Russell. From the outset, MDHA accepted Russell’s spreadsheet, and did not request that Russell report its CSS information in a different medium. The MDHA CSS Director originally worked closely with Russell’s on-site Project Manager, and for the past year or more has worked directly with Russell’s CSS Coordinator. For the past four years, MDHA officials have accepted the spreadsheet format without complaint, approving its content as containing all the information they had requested, and effectively using it to develop and submit the required HUD quarterly reports.

MDHA had a duty to provide Russell with expert guidance in the development of the CSS database. MDHA chose not to do so. Had its client fulfilled its obligation to “contract with an independent institution to act as the evaluator of the [Revitalization Program],” Russell would have been able to “work closely with, and receive guidance from, the Evaluator in the creation of the CSS database,” and logically would have received notice of any additional expectations. See Appendix A to the Contract, at § 2.6 (emphasis in original). Russell conducted extensive research into local providers capable of serving as the evaluator and presented its findings in a series of meetings with MDHA officials, who ultimately chose not to hire anyone. Any alleged shortcomings in the database are directly attributable to MDHA’s refusal to engage an independent evaluator, despite Russell’s efforts.

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<sup>2</sup> Section 2.6 of Appendix A to the Contract, which specifies the requirements for the database, does not specify a particular reporting format.

MDHA received the CSS information as part of Russell's monthly reports, and Russell repeatedly received compliments for the breadth and accuracy of information supplied by the CSS spreadsheet. Russell was not directed or advised to reformat its database or to provide it in an electronic medium. In fact, it was not until Russell's representatives were interviewed as part of the OIG's investigation that any suggestion of the spreadsheet's inadequacy surfaced. Russell therefore considered its CSS spreadsheet to be the database called for in the Contract.

MDHA's acceptance of the product and services validated Russell's understanding that its spreadsheet was exactly what MDHA had requested. Further, it is difficult to understand the Report's suggestion that the fee paid for the creation of the database was unjustified. The monthly collection and analysis of the data compiled in the spreadsheet is a continuous process that has been ongoing for more than four years. The Report seems to suggest that producing a database is comprised of the singular act of developing a template into which information can be uploaded. However, the real work of database creation is much more labor intensive, involving personal contact with clients and service providers, as well as collection and analysis of data relating to the services provided. Russell has performed this obligation.

The Report accuses Russell of "abdicating [its] contractual responsibility." More importantly, Russell's responsibility was to its client, to "act as a representative of [Miami-Dade] County, under the guidance and supervision of MDHA ... assisting MDHA in the day-to-day coordination, oversight, and management of all [Revitalization Program] activities." See Appendix A to the Contract, at § 2.2 (emphasis supplied). Since the inception of the Contract, it has been Russell's understanding that it takes its orders directly from MDHA, notwithstanding conflicting terms elsewhere in the Contract. Because MDHA, through the express instructions of MDHA officials, took responsibility for preparing the quarterly HUD reports—with information received directly from DHS—it is improper to shift the burden for any inter-agency inefficiencies to Russell's database creation responsibility.

Notwithstanding its position that the information provided satisfied its duty to report the progress of the CSS program, Russell is prepared to provide the data it has collected in another format, if requested by MDHA. The extensive work of accumulating the underlying information is exactly what Russell has undertaken for the past four years.

#### **IV. MDHA**

Russell incurred countless unexpected costs associated with MDHA's internal disorder, instability and inability to maintain positive interagency working relationships. Even as late as July 2005, MDHA had yet to finalize the specifications for the RFP for development of Phase II of the project. As of today, MDHA has still not released that RFP to the public. Naturally, Russell's budget did not provide for these over-runs. However, at every turn, Russell was prepared to devote the full energies of its administrative staff to work on solutions as problems arose. Far from billing excessive administrative costs, MDHA—and the entire HOPE VI

community—received an excellent value for the comprehensive services that Russell delivered. Several of these issues bear individual mention.

#### Decision to Forego a Construction Manager-At-Risk

Russell originally budgeted all phases of the project to be handled by one prime contractor or developer (the “Construction Manager-At-Risk”). Instead of following this original model, MDHA decided to break the project down into many smaller pieces, in an effort to include smaller local contractors. MDHA’s revised plans called for as many as four different demolition and construction packages. Russell correctly predicted that the revised model was a recipe for cost over-runs.

#### Resident Lawsuit

Prior to Russell’s involvement with the project, residents of the Scott/Carver development filed a lawsuit to block HOPE VI. This resident lawsuit precipitated a crisis that nearly crippled the project, requiring unanticipated hours of additional time restoring MDHA’s goodwill in the community.

Russell conducted countless meetings with Scott/Carver residents, concerned community leaders and grassroots activists. Resident of the Scott/Carver development had a strong distrust of the MDHA and very few individuals within the MDHA could gain the trust and respect of the community at large. Russell took on this responsibility for MDHA and was able to bring enough calm to the community for the team to move forward with the planning and implementation of the relocation activities. In addition to responding to MDHA’s request that Russell take the lead in managing this unexpected segment of the project, Russell instituted a series of after-hours meetings with residents to keep them informed of the facts surrounding all HOPE VI activities.

#### Modifications in Development Plan

Once the redevelopment plan was modified and approved by MDHA, Russell and MDHA met with HUD. At this meeting, HUD identified several serious concerns and discussions resulting in conceptual changes to the redevelopment plan, including elimination of the rent-to-own units and their replacement with an additional 40 public housing units. Over the past four years, multiple amendments have doubled the total number of public housing units—from 80 to 160—with correspondent increases in administrative costs.

With each of these changes, additional work is required of every entity involved. The financial consultant has to completely rework the rental term sheet; Russell has to develop additional presentations for informing the community; MDHA has to provide additional justification for HUD’s review and approval; and the architect has to make adjustments, just to name a few. These adjustments and/or modifications to the re-development plan cannot happen overnight. Decisions can be made during the course of a two-hour meeting, but the implementation of the changes can take weeks or months.

Christopher R. Mazzella  
Inspector General  
Miami-Dade County  
August 23, 2006  
Page 10

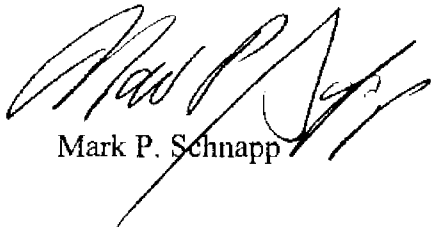
Problems with Relocation Services Provider

There is an extreme shortage of public housing in Miami-Dade County. Consequently, Scott/Carver residents were loath to leave their current residences without proof that MDHA's relocation services provider would be successful securing new suitable housing. Partially due to the publicity surrounding the resident lawsuit, and due to historic antipathy toward County government, there was a complete breakdown of communication between the Scott/Carver residents and MDHA. Residents refused to move from their public housing units, legitimately fearing that relocation efforts would prove unsuccessful. Simultaneously, a confluence of the booming housing market, the stigma attached to affordable housing, MDHA's chosen relocation services provider, National Housing Group, was unable to find sufficient Section 8 housing to which residents could be relocated in a timely manner. Furthermore, the resident lawsuit exacerbated resident concerns about permanent displacement. MDHA therefore requested that Russell provide outreach to prospective landlords. Russell did not just work with National Housing as an overseer of their work but Russell coordinated a Section 8 outreach program to work with landlords in relaxing their stance against the program. Through Russell's consistent efforts as a liaison between residents and landlords, the relocation program proved to be a great success.

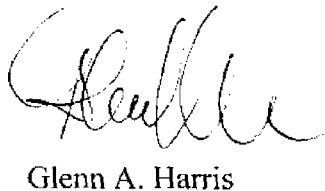
CONCLUSION

Russell stands by its reputation for excellence and its performance here. We submit that an objective determination of the facts would show that Russell was at all times responsive to MDHA and performed under the terms of the contract in accordance with the client's needs and requests. Russell has fulfilled its obligations under the Contract and will continue to perform any remaining obligations in a professional manner. Should additional information become known, we reserve the right to supplement the official record. Thank you for your consideration.

Sincerely,



Mark P. Schnapp



Glenn A. Harris

**MIAMI-DADE OFFICE OF THE INSPECTOR GENERAL**  
**Final Audit Report**  
*Miami-Dade Housing Agency's HOPE VI Revitalization Program Contract No. 251*  
*Audit of the Professional Services Agreement with H.J. Russell & Company*  
*For Community and Supportive Services Program Management Services*

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**OIG**  
**ATTACHMENT A**

**Exhibits C-3 and C-4**  
**to the original contract dated**  
**August 16, 2001**

August 24, 2006

Exhibit: C-3

H.J. Russell & Company Program Management  
 Monthly Period-Based Progress Payment

Stage	From	To	or maximum of # of month	%of contract sum per month	Total % payable	
1	Day of execution of HPM contract	Close-out of HOPE VI grant	60	0.1	6.00%	\$ 153,032.00
2	Day of execution of HPM contract	Completion of CSS Database System and procurement of CSS Providers	6	0.2	1.20%	\$ 30,806.00
3	Start-up of provision of CSS services and case management work	Completion of relocation of residents	48	0.3	14.40%	\$ 367,272.00
4	Start-up of work of Coordinating Planner and Designer	Completion and approval of site-work engineering and building construction plans and specs	5	0.22	1.10%	\$ 28,056.00
5	Completion and approval of sitework engineering and building construction plans and specs	Completion of site-work and construction	48	0.4	19.20%	\$ 489,702.00
6	Completion of draft of homeownership Marketing Plan	Close-out of HOPE VI grant	54	0.15	8.10%	\$ 206,593.00
	Total % Payable 50%					\$ 1,275,261.00
	Total Contract Amount					\$ 2,550,530.00



H.J. Russell & Company Program Management		Performance Milestones and Progress Payments		Percent of Contract Sum payable after completion of:	
Supportive Services	Submittal of list of recommended service providers as per Section 2.6 and approval by MDHA.	0.50%	\$ 12,753.00		
USHUD Approvals	USHUD approval of Revitalization Plan, CSS Work Plan, Mixed-Finance Plan, HOPE VI Budget, and Section 32 (or 5h or Nehemiah, whichever applicable) public housing rent-to-own plan.	1%	\$ 25,505.00		
CSS Database	100% of original residents now on CSS Database	1.50%	\$ 38,258.00		
CSS Case Management	20% of original residents on welfare, now enrolled in self-sufficiency program, now have completed a self-sufficiency program, now have	2.00%	\$51,011.00		
CSS Case Management	40% of original residents on welfare, now enrolled in self-sufficiency program, now have completed a self-sufficiency program, now have	2.00%	\$51,011.00		
CSS Case Management	60% of original residents on welfare, now enrolled in self-sufficiency program, now have completed a self-sufficiency program, now have	2.00%	\$51,011.00		
CSS Case Management	80% of original residents on welfare, now enrolled in self-sufficiency program, now have completed a self-sufficiency program or now employed.	3.00%	\$76,516.00		
Charettes	Completion of participatory charettes to obtain input from residents and community	1.00%	\$25,505.00		
Planning & Design	Completion and approval by MDHA of sitework engineering and building construction design criteria and parameters as per Section 2.4	3.00%	\$76,516.00		
Construction	Successful completion of 20% of total value of construction (sitework and buildings) not including Homeownership units.	4.40%	\$112,223.00		
Construction	Successful completion of 40% of total value of construction (sitework and buildings) not including Homeownership units.	4.40%	\$112,223.00		
Construction	Successful completion of 60% of total value of construction (sitework and buildings) not including Homeownership units.	4.40%	\$112,223.00		
Construction	Successful completion of 80% of total value of construction (sitework and buildings) not including Homeownership units.	4.40%	\$112,223.00		
Construction	Successful completion of 100% of total value of construction (sitework and buildings) not including Homeownership units.	4.40%	\$112,223.00		
Homeownership Units	Completion of homeownership Marketing Plan	1.00%	\$25,505.00		
Close Out	Upon close-out of HOPE VI Grant	8.00%	\$204,042.00		
	Total Performance Milestone Progress Payments		\$ 1,275,264.00		
	Total Contract Amount		\$ 2,550,530.00		

Exhibit: C-4

**MIAMI-DADE OFFICE OF THE INSPECTOR GENERAL**  
**Final Audit Report**  
*Miami-Dade Housing Agency's HOPE VI Revitalization Program Contract No. 251*  
*Audit of the Professional Services Agreement with H.J. Russell & Company*  
*For Community and Supportive Services Program Management Services*

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**OIG**  
**ATTACHMENT B**

**Supplemental Agreement No. 2,  
dated October 24, 2002, with accompanying  
revised Exhibits C-3 and C-4**

August 24, 2006



**RUSSELL**

H.J. Russell & Company

Program Management & Construction Division

Supplemental Agreement No. 5

**HOPE VI PROGRAM MANAGER CONTRACT NO. 251**

THIS Supplemental Agreement No. 5 to the HOPE VI PROGRAM MANAGER CONTRACT NO. 251 ("Contract") is made and entered into as of this 25th day of October, 2002, by and between H. J. Russell & Company, a Georgia Corporation ("Contractor") and Miami-Dade County ("County"), a political subdivision of the State of Florida, acting by and through the Miami-Dade Housing Agency ("MDHA").

WITNESSETH:

Whereas, on September 16, 1999, the U. S. Department of Housing and Urban Development confirmed that the County, acting through the MDHA, has been awarded a \$35,000,000 HOPE VI Revitalization Grant ("Grant") for the revitalization of the James E. Scott Homes and Carver Homes Public Housing Development ("Scott/Carver Homes") located in the County; and

Whereas, to implement the County's HOPE VI Revitalization Program funded by the Grant, the County procured the services of a qualified HOPE VI Program Manager pursuant to applicable public bidding procedures; and

Whereas, having selected Contractor for this purpose, on August 16, 2001, the County entered into that certain HOPE VI Program Manager Contract No. 251 (the "Agreement") setting forth the scope of services (see Appendix A: Scope of Services) to be provided to the County by the Contractor; and

Whereas, the Contractor and the County want to make certain revisions to the progress payments described in the Agreement in Exhibit C-3: Period-Based Payments and in Exhibit C-4: Performance-Based Payments.

Now, Therefore, in furtherance of the Contractor's performance of it's obligations under the Agreement, the County and the Contractor agree to the stipulations set forth below:

**Revised Schedule of Progress Payments**

Exhibits C-3 Period-Based Progress and C-4 Performance-Based Progress Payments in the Agreement are revised and substituted by the attached Exhibits C-3 Period-Based Progress payments-Revised and C-4 Performance-Based payments-Revised. These revisions also change the allocation of progress payments between Period-based and Performance-based payments from 50%-50% to 60%-40% respectively.

IN WITNESS WHEREOF, the parties have set their hand this 24 day of October, 2002.

COUNTY

CONTRACTOR

MIAMI DADE COUNTY

H. J. RUSSELL & COMPANY

By: Barbara Jordan  
Title: Assistant County Manager  
Date: 10/24/02

By: [Signature]  
Title: Project Manager  
Date: 10/24/02

APPROVED AS TO  
THE LEGAL SUFFICIENCY  
OF THE CONTRACT  
[Signature]  
MIAMI DADE COUNTY

Exhibit C-3 Supplemental Agreement #5						
H.J. Russell & Company Program Management						
Period-Based Progress Payments - Revised						
Stage	From	To	Maximum number of months	% of contract sum per month	Total % payable	
1	Day of execution of HPM contract	Close -out of HOPE VI grant	60	0.23	13.70%	\$ 349,427.00
2	Day of execution of HPM contract	Completion of CSS Database System and Procurement of CSS Providers	6	.084	5.01%	\$127,829.00
3	Start-up of provision of CSS services and case management work	Completion of relocation of residents	48	.35	16.81%	\$ 428,778.00
4	Start-up of Work of Coordinating Planner and Designer	Completion and approval of site-work engineering and building construction plans and specs	12	0.29	3.51%	\$ 89,572.00
5	Beginning of site-work engineering and building construction plans and specs	Completion of site-work and construction	48	0.39	18.61%	\$474,702.00
6	Completion of draft of homeownership Marketing Plan	Close-out of HOPE VI grant	54	0.04	2.35%	\$ 60,000.00
	Total Period-Base Progress Payments 60%					\$ 1,530,318.00
	Total Contract Sum					\$ 2,550,530.00

Exhibit: C-4 Supplemental Agreement #5

H. J. Russell & Company Program Management

**Performance-Based Progress Payments - Revised**

	Percent of Contract Sum payable after completion of:	% of Contract
USHUD Approvals	USHUD approval of Revitalization Plan, CSS Work Plan, Mixed-Finance Plan, HOPE VI Budget and Section 32 (or 5h or Mehemeth, whichever applicable) public housing rent-to-own plan.	1.41%
Supportive Services	Submission of list of recommended service providers as per Section 2.6 and approval by MDHA.	2.28%
CSS Database	Completion of CSS Database system as per Section 2.6	1.91%
CSS Database	100% of original residents now on CSS Database	1.41%
CSS Case Management	20% of original residents on welfare, now enrolled in self-sufficiency program, now have completed a self-sufficiency program or now employed	1.41%
CSS Case Management	40% of original residents on welfare, now enrolled in self-sufficiency program, now have completed a self-sufficiency program or now employed.	1.41%
CSS Case Management	50% of original residents on welfare, now enrolled in self-sufficiency program, now have completed a self-sufficiency program or now employed.	1.91%
CSS Case Management	80% of original residents on welfare, now enrolled in self-sufficiency program, now have completed a self-sufficiency program or now employed.	1.91%
Charities	Completion of participatory Charities to obtain from residents and community	1.41%
Planning & Design	Beginning and approval by MDHA of site work engineering and building construction design criteria and parameters as per Section 2.4	3.41%
Construction	Successful completion of 20% of total value of construction (site work and buildings) not including Homeownership units.	2.61%
Construction	Successful completion of 40% of total value of construction (site work and buildings) not including Homeownership units.	2.61%
Construction	Successful completion of 60% of total value of construction (site work and buildings) not including Homeownership units.	2.61%
Construction	Successful completion of 80% of total value of construction (site work and buildings) not including Homeownership units.	2.61%
Construction	Successful completion of 100% of total value of construction (site work and buildings) not including Homeownership units.	2.61%
Homeownership Units	Completion Of homeownership Marketing	1.41%
Close Out	Upon Close-out Of HOPE VI Grant	8.41%
	Total Performance Milestone Progress Payments	
	Total Contract Amount	
		\$36,008
		\$23,255
		\$48,760
		\$36,008
		\$36,008
		\$36,008
		\$48,760
		\$36,008
		\$48,760
		\$36,008
		\$87,019
		\$66,614
		\$66,614
		\$66,614
		\$66,614
		\$66,614
		\$36,007
		\$214,544
		\$1,020,212
		\$2,550,530

**MIAMI-DADE OFFICE OF THE INSPECTOR GENERAL**  
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*Miami-Dade Housing Agency's HOPE VI Revitalization Program Contract No. 251*  
*Audit of the Professional Services Agreement with H.J. Russell & Company*  
*For Community and Supportive Services Program Management Services*

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**OIG**  
**ATTACHMENT C**

**OIG Analysis of May 17, 2006**  
**Resubmitted CSS HOH**  
**Milestone 8 Report**

August 24, 2006

**ANALYSIS OF MAY 17, 2006 RESUBMITTED CSS HOH MILESTONE 8 REPORT**

METHODOLOGY	PROVIDED BY	POPULATION	REFUSED SERVICES	OVER 64 YRS	OTHER/(NON RESPONSIVE)	EMPLOYED	UNEMPLOYED BUT USED CSS SERVICES	TOTAL HEAD OF HOUSEHOLDS RECEIVING CSS SERVICES	TOTAL HEAD OF HOUSEHOLD POPULATION IDENTIFIED IN CSS CASELOAD	TOTAL CSS SERVICES PROVIDED BY RESPECTIVE PROVIDER	MILESTONE GOAL %	EMPLOYED BUT DID NOT UTILIZE CSS SERVICES	OVER 64 YRS THAT RECEIVED CSS SERVICES
A	H.J. Russell	838	255	65	229	198	91	138	289	290	100%	151	30
B	CSS Coordinator	835							490		59%		

*OIG's Analysis using MDHA's revised numbers (Methodology B) according to H.J. Russell's Methodology (A).*

C	OIG	835	57	71	211	152	91	138	496	232	47%	151	30
---	-----	-----	----	----	-----	-----	----	-----	-----	-----	-----	-----	----

Original Head of Households

Less: Refused Services

Subtotal

Less: Over 64 Yrs

Subtotal

Less: Other / Non-responsive

**Total CSS Case Load**

Employed

Unemployed using CSS services

Employed using CSS services

HOH using CSS services

A	B	C
838	835	835
255	57	57
<b>583</b>	<b>778</b>	<b>778</b>
65	71	71
<b>518</b>	<b>701</b>	<b>707</b>
229	211	211
<b>289</b>	<b>490</b>	<b>496</b>
198		
91		
47		
138		

**OIG ATTACHMENT C**

SERVICE PROVIDER BREAKDOWN	
NUMBER OF HOH RESIDENTS ENROLLED	
	H. J. RUSSELL CSS Coordinator
ACP	19
MIAMI-DADE COLLEGE	7
MIAMI-DADE PUBLIC SCHOOLS	78
BOYS & GIRLS CLUBS	16
MADDADS	24
BELAFONTE TACOLCY	7
LABOR IN LOVE	26
FAMILY SELF-SUFFICIENCY	113
<b>Subtotal</b>	<b>290</b>
EMPLOYED	152
Total Number of HOH Residents who received services	290
<b>Percent of Enrolled / Total CSS Case Load</b>	<b>100%</b> (290 / 289)
	<b>47%</b> (232 / 496)

**Note a)** The MDHA Reviewer handwrote on the CSS HOH Milestone 8 Report the Milestone Goal % achieved by H.J. Russell as 59%. This percentage is obtained by dividing the Total CSS Case Load (490) over the Original Head of Households (835). Due to math errors (shown in red), MDHA's Total CSS Case Load is shown as 490 instead of 496.



**MIAMI-DADE OFFICE OF THE INSPECTOR GENERAL**  
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*Audit of the Professional Services Agreement with H.J. Russell & Company*  
*For Community and Supportive Services Program Management Services*

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**OIG**  
**ATTACHMENT D**

**BCC Resolution (R-139-99) authorizing  
County Manager to begin the redevelopment  
of Sector I of Scott Homes and  
Carver Homes...enter into a contract with a  
HOPE VI Consultant...and execute  
any necessary agreements.**

**(Approved February 2, 1999)**



**Miami-Dade Legislative Item  
File Number: 983671**

Print this page

**File Number:** 983671                      **File Type:** Resolution                      **Status:** Adopted  
**Version:** 0                                      **Reference:** R-139-99                      **Control:** County Commission  
**File Name:** SCOTT HOMES AND CARVER HOMES                      **Introduced:** 12/30/1998  
**Requester:** Miami-Dade Housing Agency                      **Cost:**                      **Final Action:** 2/2/1999  
**Agenda Date:** 2/2/1999                      **Agenda Item Number:** 6G1A

**Notes:**

**Title:** RESOLUTION AUTHORIZING THE COUNTY MANAGER TO BEGIN THE REDEVELOPMENT OF SECTOR I OF SCOTT HOMES AND CARVER HOMES; PROCURE APPRAISALS; SUBMIT A DISPOSITION APPLICATION TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; EXPEND SURTAX AND SHIP FUNDS; APPLY FOR, RECEIVE AND EXPEND 1999 HOPE VI GRANT FUNDS; ENTER INTO A CONTRACT WITH A HOPE VI CONSULTANT; SOLICIT RELOCATION SERVICES THROUGH THE COUNTY COMPETITIVE PROCESSES; SOLICIT A DEVELOPER THROUGH COUNTY COMPETITIVE PROCESSES; AND EXECUTE ANY NECESSARY AGREEMENTS

**Indexes:** NONE**Sponsors:** NONE**Sunset Provision:** No**Effective Date:****Expiration Date:****Registered Lobbyist:** None Listed**LEGISLATIVE HISTORY**

Acting Body	Date	Agenda Item	Action	Sent To	Due Date	Returned	Pass/Fail
Board of County Commissioners	2/2/1999	6G1A	Adopted				P

**REPORT:** Commissioner Rolle asked that the number of single family homes in this development be increased by the Miami-Dade County Housing Department from 40 to 150, and that the residents from Scott Homes, Carver Homes, and the surrounding neighborhoods be invited to community meetings to discuss the project design.

County Manager	1/22/1999		Assigned	County Attorney	1/22/1999		
County Attorney	1/22/1999		Assigned	Karon M. Coleman			
County Attorney	1/20/1999		Assigned	County Manager's Office			
County Manager	1/20/1999		Assigned	Barbara Jordan	1/21/1999		

**REPORT:** ATTORNEY NEEDS TO HAVE FINANCING QUESTIONS ANSWERED BEFORE APPROVING

County Attorney	1/15/1999		Assigned	Karon M. Coleman	1/20/1998		
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**REPORT:** requesting changes to reso and answers to questions in memo

County Manager	1/8/1999		Assigned	County Attorney	2/2/1999		
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**REPORT:** 6G-HOUSING

County Manager	12/30/1998		Assigned	Barbara Jordan			
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**LEGISLATIVE TEXT****TITLE**

RESOLUTION AUTHORIZING THE COUNTY MANAGER TO BEGIN THE REDEVELOPMENT OF SECTOR I OF SCOTT HOMES AND CARVER HOMES; PROCURE APPRAISALS; SUBMIT A DISPOSITION APPLICATION TO THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; EXPEND SURTAX AND SHIP FUNDS; APPLY FOR, RECEIVE AND EXPEND 1999 HOPE VI GRANT FUNDS; ENTER INTO A CONTRACT WITH A HOPE VI CONSULTANT; SOLICIT RELOCATION SERVICES THROUGH THE COUNTY COMPETITIVE PROCESSES; SOLICIT A DEVELOPER THROUGH COUNTY COMPETITIVE PROCESSES; AND EXECUTE ANY NECESSARY AGREEMENTS

**BODY**

WHEREAS, this Board desires to accomplish the purpose outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF DADE COUNTY, FLORIDA, that this Board authorizes the County Manager to:

(1) Procure appraisals of market value of Scott Homes and Carver Homes, two public housing developments which are operated by Miami-Dade County, Florida;

(2) Submit applications to the United States Department of

Housing and Urban Development (USHUD) for the disposition of Scott Homes and Carver Homes; and to dispose of those properties following approval by USHUD;

(3) Allocate approximately \$6,000,000 of Surtax and SHIP funds, as recommended by the Affordable Housing Advisory Board (AHAB), to finance the redevelopment of Sector I of Scott Homes and Carver Homes, as well as the surrounding community;

(4) Proceed with the design phase for the redevelopment of Sector I - Scott Homes;

(5) Apply for, receive, and expend approximately \$35,000,000 in funds from a 1999 HOPE VI grant from USHUD for the revitalization of Scott Homes and Carver Homes as well as the surrounding community; receive and expend any additional HOPE VI funds that become available; file and execute any amendments to the application on behalf of Miami-Dade County, Florida; and procure the services of a HOPE VI consultant to guide Miami-Dade County in the preparation of said application;

(6) Issue Requests for Proposals (RFP) and/or Request for Qualifications (RFQ), pursuant to County guidelines and ordinances, with the intent of finalizing the procurement of the following services, expertise, and partnership:

- Relocation services for residents;

- An experienced, qualified developer to form a partnership with Miami-Dade County through MDHA for the redevelopment of Scott Homes and Carver Homes, as well as the surrounding community; and

(7) Execute any agreements necessary to effectuate any of the purposes of this resolution following their approval by the County Attorney's office, and to exercise amendment, modification, renewal, cancellation, and termination clauses of such agreements.

## HEADER

To: Honorable Chairperson and Members Date:  
Board of County Commissioners

From: Merrett R. Stierheim Subject:  
County Manager Resolution Authorizing the County Manager's  
Action to Begin The Necessary Activities  
for the Redevelopment of Scott Homes  
and Carver Homes

## STAFF RECOMMENDATION

It is recommended that the Board approve the attached resolution authorizing the County Manager to proceed with the activities that are necessary for the redevelopment of two County-owned public housing developments, Scott Homes and the adjacent Carver Homes, and the surrounding neighborhood/community.

## MANAGER'S BACKGROUND

Scott Homes (754 public housing dwelling units) and Carver Homes (96 public housing dwelling units) are poorly designed, antiquated and in need of substantial rehabilitation. The annual subsidies for modernization of public housing received from the U.S. Department of Housing and Urban Development (USHUD) have been reduced in recent years due to congressional budget tightening, and the resulting subsidies have been insufficient for the Miami-Dade Housing Agency(MDHA) to conduct any major rehabilitation programs at these developments. Three previous submittals by Miami-Dade County of competitive applications for HOPE VI rehabilitation grants have not been funded by USHUD.

There is an immediate need to address and remedy the conditions at the two referenced developments. As such, authorization to perform the following activities is required in order to proceed with the redevelopment of Scott Homes and Carver Homes and the surrounding community.

Authorization is hereby requested to:

1. Procure appraisals of market values of Scott Homes and Carver Homes. These appraisals are necessary to be able to complete the mandated/required disposition applications to USHUD described below.

2. Submit applications to USHUD for the dispositions of Scott Homes and Carver Homes.
3. Allocate approximately \$6,000,000 of surtax and SHIP funds as recommended by the Affordable Housing Advisory Board (AHAB), to finance the first phase of the redevelopment, referenced herein as Sector I-Scott Homes, and incorporated hereto as Exhibit I. This allocation will come from the pool of available funds accumulated during the time elapsed between the time that funds are committed to the time that the funds are actually drawn out by the awardees. The use of funds from this pool would not affect the amount of moneys that can be committed to applicants requesting surtax, HOME or SHIP funds in forthcoming funding awards. The allocation of the approximate \$6,000,000 from this pool of unused funds was recommended by the AHAB at their October 28, 1998 meeting.
4. Proceed with the design phase of redevelopment of Sector I of Scott Homes.

This first phase of the redevelopment will consist of the demolition of the existing 216 obsolete dwelling units in Sector I of Scott Homes, the southeast sector on the east side of NW 22nd Ave. between NW 68th Street and NW 71st Street (see Exhibit I).

To replace the 216 obsolete units, 100 new townhouse units will be built on Sector I. Of these, 50 will be public housing units and 50 will be privately-owned, affordable housing rental units for low- and very- low-income families. In addition, and as part of this first phase, 40 single family homes, targeted for low-income home ownership, are to be built on acquired infill lots surrounding Scott Homes and Carver Homes.

The 216 families presently residing in Sector I will be given Section 8 vouchers and/or certificates for their relocation. The MDHA has an adequate number of certificates and/or vouchers in-hand for this purpose. After the redevelopment is completed, relocated families will be given the option of returning to the newly constructed public housing or affordable housing rental units at Sector I of Scott Homes; or at the other three sectors of Scott Homes or Carver Homes, as these are completed and become available.

Residents of Scott Homes and Carver Homes have been advised of the proposed redevelopment and the proposed relocation plan during meetings held on June 1, 1998 and June 15, 1998. Residents will also participate later in community charettes to help develop the design criteria for the project.

The first phase of the redevelopment project will be an important part of and highlight Miami-Dade County's future application to USHUD for a HOPE VI grant.

5. Apply for, receive, and expend approximately \$35,000,000 in funds from a 1999 HOPE VI grant from USHUD for the revitalization of Scott Homes and Carver Homes and their surrounding neighborhood /community, and to procure the services of a HOPE VI consultant to guide Miami-Dade County in the preparation of its 1999 HOPE VI application, and to prepare all documentation, research, graphics and reproduction required.

6. Issue Requests for Proposals (RFP) and/or Requests for Qualifications (RFQ), pursuant to County guidelines and ordinances, with the intent of finalizing the procurement of the following services, expertise, and partnership:

- 6.1 Relocation services for residents.
- 6.2 An experienced developer to be a contractual partner with Miami-Dade County through the Miami-Dade Housing Agency for

the administration and development of all pertinent activities including, but not limited to, architecture and engineering, financing, accounting and cost control, legal matters, cost estimating, cost engineering, surveying and site plan approvals, environmental testing and remediation, soil testing and evaluation, permits and platting, demolition and sitework, construction management, final inspections, punch lists and certificates of occupancy.

The Affordable Housing Advisory Board at its October 28, 1998 meeting, recommended a partnership of this type as the most beneficial arrangement for the County.

The intent of the above described redevelopment project for Sector I of Scott Homes is to proceed with or without future HOPE VI funds. Furthermore, these efforts will be utilized as a model for similar redevelopments to include the three remaining sectors of Scott Homes.

**MIAMI-DADE OFFICE OF THE INSPECTOR GENERAL**  
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*Audit of the Professional Services Agreement with H.J. Russell & Company*  
*For Community and Supportive Services Program Management Services*

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# **OIG ATTACHMENT E**

**BCC Resolution (R-132-06) ratifying H.J. Russell's  
Professional Services Agreement for Program  
Management Services (Contract No. 251) and Addenda;  
waiving the competitive bidding process,  
approving County Manager's recommendations  
for award of contract to H.J. Russell to include additional  
services required to complete the program...**

**(Approved January 24, 2006)**



**Miami-Dade Legislative Item  
File Number: 060089**

Printable PDF Format Print this page

**File Number:** 060089                      **File Type:** Resolution                      **Status:** Adopted  
**Version:** 0                                      **Reference:** R-132-06                      **Control:** County Commission  
**File Name:** SCOTT/CARVER HOMES HOPE VI REVITALIZATION PROGRAM                      **Introduced:** 1/10/2006  
**Requester:** Miami-Dade Housing Agency                      **Cost:**                      **Final Action:** 1/24/2006  
**Agenda Date:** 1/24/2006                      **Agenda Item Number:** 14A2  
**Notes:** TLL- 1/10/06

**Title:** RESOLUTION RATIFYING H.J. RUSSELL & COMPANY'S (H.J. RUSSELL) PROFESSIONAL SERVICES AGREEMENT FOR PROGRAM MANAGEMENT SERVICES (CONTRACT 251) FOR THE SCOTT/CARVER HOMES HOPE VI REVITALIZATION PROGRAM (PROGRAM) AND ADDENDA; WAIVING THE COMPETITIVE BIDDING PROCESS, APPROVING COUNTY MANAGER'S RECOMMENDATIONS FOR AWARD OF CONTRACT TO H.J. RUSSELL TO INCLUDE ADDITIONAL SERVICES REQUIRED TO COMPLETE THE PROGRAM; AUTHORIZING THE COUNTY MANAGER TO EXTEND CONTRACT NO. 251 FOR TWO ADDITIONAL YEARS; AND AUTHORIZING THE COUNTY MANAGER TO ALLOCATE UP TO \$830,000.00 FROM DOCUMENTARY SURTAX TO H.J. RUSSELL; AND AUTHORIZING THE COUNTY MANAGER TO NEGOTIATE, EXECUTE, AMEND, AND EXTEND SAID CONTRACT

**Indexes:** HOPE VI PROGRAM                      **Sponsors:** NONE  
**Sunset Provision:** No                      **Effective Date:**                      **Expiration Date:**  
**Registered Lobbyist:** None Listed

**LEGISLATIVE HISTORY**

Acting Body	Date	Agenda Item	Action	Sent To	Due Date	Returned	Pass/Fail
Board of County Commissioners	1/24/2006	14A2	Adopted				P
County Manager	1/19/2006		Additions		1/24/2006		
Community Empowerment & Econ. Revitalization Cmte.	1/17/2006	64F	Forwarded to BCC with a favorable recommendation				P

**REPORT:** Assistant County Manager Tony Crapp, Sr. read the foregoing proposed resolution into the record. In response to Chairman Rolle's question regarding the length of time to ratify this resolution, Mr. Alphonso Brewster, Housing Agency Director, replied the County Attorney amended some of the contract language which delayed the process. He also indicated that he asked for assistance from HJ Russell & Co. to finalize the Hope Vi Redevelopment Project. In response to Chairman Rolle's question regarding HJ Russell & Co.'s architectural role in the Project, Mr. Brewster stated that HJ Russell & Co. would oversee the Project to ensure program compliance and that the County's interest was protected. In response to Chairman Rolle's concerns with HJ Russell & Co.'s capacity to perform the work due to other commitments with Miami Dade County, Mr. Brewster indicated HJ Russell & Co. had the necessary resources to complete all projects. Hearing no further questions or comments, the Committee proceeded to vote on the foregoing proposed resolution as presented.

County Attorney                      1/10/2006                      Assigned                      Terrence A. Smith                      1/10/2006

**REPORT:** "NED"

County Manager                      1/10/2006                      Assigned                      Tony Crapp                      12/21/2005  
 County Manager                      1/10/2006                      Assigned                      County Attorney                      2/7/2006

**REPORT:** MDHA (CEERC 1/17/06) (REQ. WAIVER FOR 1/24/06 BCC)- PLEASE PROVIDE ATTACHMENT FOR SCANNING PURPOSE; DEPT PROVIDED COPIES FOR DISTRIBUTION

County Manager                      1/10/2006                      Referred                      Community Empowerment & Econ. Revitalization Cmte.                      1/17/2006

**LEGISLATIVE TEXT**

**TITLE**

RESOLUTION RATIFYING H.J. RUSSELL & COMPANY'S (H.J. RUSSELL) PROFESSIONAL SERVICES AGREEMENT FOR PROGRAM MANAGEMENT SERVICES (CONTRACT 251) FOR THE SCOTT/CARVER HOMES HOPE VI REVITALIZATION PROGRAM (PROGRAM) AND ADDENDA; WAIVING THE COMPETITIVE BIDDING PROCESS, APPROVING COUNTY MANAGER'S RECOMMENDATIONS FOR AWARD OF CONTRACT TO H.J. RUSSELL TO INCLUDE ADDITIONAL SERVICES REQUIRED TO COMPLETE THE PROGRAM; AUTHORIZING THE COUNTY MANAGER TO EXTEND CONTRACT NO. 251 FOR TWO ADDITIONAL YEARS; AND AUTHORIZING THE COUNTY MANAGER TO ALLOCATE UP TO \$830,000.00 FROM DOCUMENTARY SURTAX TO H.J. RUSSELL; AND AUTHORIZING THE COUNTY MANAGER TO NEGOTIATE, EXECUTE, AMEND, AND EXTEND SAID CONTRACT

**BODY**

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board:

Section 1. Ratifies Contract No. 251 by and between Miami-Dade County and H.J. Russell and its Addenda 1 through 8.

Section 2. Finds it is in the best interest of Miami-Dade County to waive formal bid procedures pursuant to Section 4.03(D) of the Home Rule Charter and of the County Code by a two-thirds (2/3s) vote of the Board members present authorizes the County Manager to execute an Addendum to Contract No. 251, with the approval of the County Attorney's Office, for an amount not to exceed \$830,000.00 for the necessary additional program management services required for completion of the Scott/Carver Homes HOPE VI Revitalization Program and to extend the term of the Contract No. 251, through said addendum, for two additional years with two additional one-year options to extend the Contract at the sole discretion of the County. The County Manager is further authorized to allocate up to \$830,000.00 from Documentary Surtax funds to H.J. Russell to effectuate the purpose of this resolution.

Section 3. Authorizes the County Manager to execute any agreements, and addenda necessary to effectuate any of the purposes of this resolution, and to exercise amendment, modification, renewal, cancellation, and termination clauses of said agreements and addenda.

**HEADER**

Date:

To: Honorable Chairperson and Members  
Board of County Commissioners

From: George M. Burgess  
County Manager

Subject: Resolution Ratifying Contract No. 251; Authorizing the County Manager to Waive Competitive Process and Award Contract to Amend H.J. Russell and Company's Professional Services Agreement to Include Additional Program Management Services Required to Complete the Scott/Carver Homes HOPE VI Revitalization Program; and Authorizing Up to \$830,000.00 in Documentary Surtax Funds to H.J. Russell

**STAFF RECOMMENDATION**

It is recommended that the Board of County Commissioners (Board) ratify the Professional Services Agreement for the Scott/Carver Homes HOPE VI program management services (Contract 251) between Miami-Dade County (County) and H.J. Russell & Company (H.J. Russell). It is further recommended that the Board authorize the County Manager to waive the competitive process and award a contract through an addendum to Contract 251 to provide additional services to complete the HOPE VI Revitalization Program (Program) and to authorize the County Manager to allocate up to \$830,000.00 in Documentary Surtax funds for these services.

**MANAGER'S BACKGROUND**

On February 2, 1999, the Board in recognition of the need to remedy the conditions of Scott/Carver Homes adopted Resolution No. R-139-99, which authorized the County Manager to commence the redevelopment of Sector I of Scott and Carver Homes. In addition, the Board authorized the County Manager to submit a HOPE VI application to the United States Department of Housing Urban Development (USHUD) for Scott/Carver Homes, and, if awarded, the Board granted authority to the County Manager to expend funds and execute any agreements that were necessary.

The County submitted its application to USHUD and the County was awarded a \$35 million HOPE VI grant. Following the award, the County executed a HOPE VI Grant Agreement with USHUD that required the County to procure a program manager. The County's HOPE VI Revitalization Plan, which was approved by USHUD, also reemphasizes the use of a program manager.

Based upon Resolution No. R-139-99, the County through a competitive process solicited proposals for a program manager. The competitive process that was used complied with the County's procurement process and USHUD's procurement regulations. It was through this competitive process that H.J. Russell was selected and Contract No. 251, which is attached hereto as Exhibit A, was executed. The original value of this contract was \$2.55 million. H.J. Russell was selected because the duly formed selection committee found the proposal responsive to the Request for Proposal. However, the Contract was not brought back to the Board for ratification.

As HOPE VI Program Manager, H.J. Russell's responsibilities include, but are not limited to, assisting MDHA in the day-to-day coordination, oversight, and management of all Program activities, such as counseling and relocation of residents, master planning and design, site work and construction, self-sufficiency and supportive services, homeownership counseling, outreach to the community and partners, and the preparation of schedules, budgets, cost control and progress reports. H.J. Russell's importance to the Program is demonstrated by the following milestones that have been achieved since the County was awarded the grant:

First, the County, with the assistance of H.J. Russell, the HOPE VI Relocation Services Provider and the Miami-Dade Department



of Human Services (DHS), has completed the counseling and relocation of the original 826 households of Scott Homes and Carver Homes to other MDHA public housing developments or Section 8 rental units of their choice and continues to provide ongoing supportive services to these families such as job training, technical training, high school equivalency education, employment preparation/placement, homeownership counseling, youth activities, elder services, and motivational counseling. Individual case management for the residents is being provided by DHS. Since the inception of the Program, 362 original residents have found employment, and 265 of those have been employed for over six months; 293 residents are enrolled in homeownership counseling and 26 former Scott/Carver Homes residents have already purchased their own homes. This was all accomplished in spite of the considerable delays caused by the federal class action suit filed by the residents and other parties to stop the Program's implementation.

Second, H.J. Russell assisted the County in achieving the overall financial plan for the Program under which Phase One is now proceeding. This financial plan will need to be modified for the Phase 2 construction of 160 public housing units. The revised financial plan will consist of a mix of HOPE VI funding, tax-exempt bonds offered by the Miami-Dade Housing Finance Authority (HFA), and 4% low-income housing tax credits (LIHTC). Rental Term Sheets and Homeownership Term Sheets for approval by USHUD are now being prepared for Phase Two.

Third, H.J. Russell assisted the County to ensure that all pre-development work (e.g. environmental, asbestos and historical studies) has been completed and 538 of the original 850 dilapidated Scott Homes and Carver Homes units have been demolished. The remaining 312 units are scheduled for demolition during the first quarter of 2006.

Finally, H.J. Russell is assisting the County to complete its Beautification Project, which includes the beautification and rehabilitation of the homes of the community surrounding the Scott Homes and Carver Homes developments (defined as the area bounded by NW 62nd Street on the south, NW 79th Street on the north, 17th Avenue on the east, and 27th Avenue on the west.) To date, over 530 homes in this surrounding community have been landscaped and/or painted and 30 homes are in the process of being substantially rehabilitated, with 8 homes already having completed their substantial rehabilitation. All of the work has been performed by contractors from the community competitively chosen from a group of 46 minority contractors who became certified, through training sponsored by the Program and provided by the Black Business Association (BBA), as County Community Small Business Enterprises (CSBE) contractors.

In order to achieve these milestones it was necessary to make adjustments to the terms and conditions of Contract No. 251. These changes are reflected in Addenda Nos. 1 through 8 (see Exhibit B). The combined total of these additional services is \$981,179, the majority of which, \$713,000, was allocated to the Beautification and Rehabilitation Program. With these change orders the total value of H.J. Russell's contract was increased from \$2,550,530 million to \$3,531,709. Notwithstanding these achievements and the work performed by H.J. Russell, there is additional program management work, consistent with the specified contract scope, which the County requires of H.J. Russell, but cannot accomplish under the present contract and the remaining Program requirements.

For construction implementation purposes of the 411 new units, the program was divided into two phases. Phase One includes the design, development, site infrastructure and construction of 57 single family homes in Sector I of Scott Homes. The surveying, platting, building construction and site work engineering plans and specifications for the 57 homes of Sector I have been completed. The site infrastructure work is underway and scheduled for completion during February of 2006. Five of these 57 homes will be completed by February, 2006 and the remaining 52 homes are scheduled to be started as soon as the site work is completed during February, 2006.

Phase Two of the project consists of surveying, platting, site work, and construction of 160 public housing units and 194 affordable homeownership units on the sites of Carver Homes and Sectors II, III, IV of Scott Homes. The 194 homeownership units will be sold to low-income families using MDHA's Section 8 Homeownership Voucher Program and/or affordable, low-interest second mortgages offered by MDHA's Affordable Homeownership Program. The County intends to procure a developer to install the infrastructure for the sites in Phase Two and to construct the 194 homeownership units and the 160 public housing units. It is anticipated that a developer agreement will be executed by the summer of 2006 to complete Phase Two during the first quarter of 2009.

Based upon the foregoing the following is a recommended three step plan of action:

First, although Resolution No. R-139-99 provided broad authority to the County Manager to execute any necessary agreements; based upon the foregoing history, it is recommended that the Board ratify Contract No. 251 along with its addenda Nos. 1 through 8.

Second, because the implementation of a complex mixed-finance plan for Phase 2 will require services not originally contemplated in the original Contract, specifically, the urban site planning to obtain approval from the Miami-Dade Planning and Zoning Department, and the Architectural Design Review and Advisory Committee (ADRAC) of the Miami-Dade Housing Finance Authority, the formulation and monitoring of Project Implementation Guidelines for both the procurement and supervision of the developer of Phase 2, the review and approval of construction documents submitted by the developer and the preparation of construction cost estimates based on those documents, and the provision of all technical, financial, and legal expertise related to the process for obtaining tax-exempt bonds and 4% low-income housing tax credits, it is recommended that the County Manager be authorized to waive the competitive process and further be authorized to negotiate with H.J. Russell and to execute an addendum agreeable to both parties. Because Contract No. 251 will expire in August 2006, it is also recommended that the addendum extend Contract No. 251 for an additional three years (with two additional one-year options to extend the Contract at the sole discretion of the County). In light of the delays caused by the above-referenced federal class action lawsuit, and the need to accomplish the Program's requirements, an extension is necessary. To cover both the costs of the above-mentioned additional services and the extension, it is further recommended that the County Manager be authorized to allocate up to \$830,000.00 from Documentary Surtax funds.

Finally, it is recommended that the County Manager be authorized to execute any agreements, and addenda necessary to effectuate any of the purposes of this resolution, and to exercise amendment, modification, renewal, cancellation, and termination clauses of said agreements and addenda.

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Tony E. Crapp  
Assistant County Manager

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# Memorandum



**Date:** January 24, 2006

**Agenda Item No.** 14(A)(2)

**To:** Honorable Chairman Joe A. Martinez and  
Members Board of County Commissioners

**From:**   
George M. Burgess  
County Manager

**Subject:** Resolution Ratifying Contract No. 251; Authorizing the County Manager to Waive Competitive Process and Award Contract to Amend H.J. Russell and Company's Professional Services Agreement to Include Additional Program Management Services Required to Complete the Scott/Carver Homes HOPE VI Revitalization Program; and Authorizing Up to \$830,000.00 in Documentary Surtax Funds to H.J. Russell.

## RECOMMENDATION

It is recommended that the Board of County Commissioners (Board) ratify the Professional Services Agreement for the Scott/Carver Homes HOPE VI program management services (Contract 251) between Miami-Dade County (County) and H.J. Russell & Company (H.J. Russell). It is further recommended that the Board authorize the County Manager to waive the competitive process and award a contract through an addendum to Contract 251 to provide additional services to complete the HOPE VI Revitalization Program (Program) and to authorize the County Manager to allocate up to \$830,000.00 in Documentary Surtax funds for these services.

## BACKGROUND

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The County submitted its application to USHUD and the County was awarded a \$35 million HOPE VI grant. Following the award, the County executed a HOPE VI Grant Agreement with USHUD that required the County to procure a program manager. The County's HOPE VI Revitalization Plan, which was approved by USHUD, also reemphasizes the use of a program manager.

Based upon Resolution No. R-139-99, the County through a competitive process solicited proposals for a program manager. The competitive process that was used complied with the County's procurement process and USHUD's procurement regulations. It was through this competitive process that H.J. Russell was selected and Contract No. 251, which is attached hereto as Exhibit A, was executed. The original value of this contract was \$2.55 million. H.J. Russell was selected because the duly formed selection committee found the proposal responsive to the Request for Proposal. However, the Contract was not brought back to the Board for ratification.

As HOPE VI Program Manager, H.J. Russell's responsibilities include, but are not limited to, assisting MDHA in the day-to-day coordination, oversight, and management of all Program activities, such as counseling and relocation of residents, master planning and design, site work and construction, self-sufficiency and supportive services, homeownership counseling, outreach to the community and partners, and the preparation of schedules, budgets, cost control and progress reports. H.J. Russell's importance to the Program is demonstrated by the following milestones that have been achieved since the County was awarded the grant:

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Second, H.J. Russell assisted the County in achieving the overall financial plan for the Program under which Phase One is now proceeding. This financial plan will need to be modified for the Phase 2 construction of 160 public housing units. The revised financial plan will consist of a mix of HOPE VI funding, tax-exempt bonds offered by the Miami-Dade Housing Finance Authority (HFA), and 4% low-income housing tax credits (LIHTC). Rental Term Sheets and Homeownership Term Sheets for approval by USHUD are now being prepared for Phase Two.

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Street on the south, NW 79<sup>th</sup> Street on the north, 17<sup>th</sup> Avenue on the east, and 27<sup>th</sup> Avenue on the west.) To date, over 530 homes in this surrounding community have been landscaped and/or painted and 30 homes are in the process of being substantially rehabilitated, with 8 homes having already completed their substantial rehabilitation. All of the work has been performed by contractors from the community competitively chosen from a group of 46 minority contractors who became certified, through training sponsored by the Program and provided by the Black Business Association (BBA), as County Community Small Business Enterprises (CSBE) contractors.

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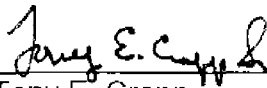
Based upon the foregoing the following is a recommended three step plan of action:

First, although Resolution No. R-139-99 provided broad authority to the County Manager to execute any necessary agreements, based upon the foregoing history it is recommended that the Board ratify Contract No. 251 along with its addenda Nos. 1 through 8.

Second, because the implementation of a complex mixed-finance plan for Phase 2 will require services not originally contemplated in the original Contract; specifically, the urban site planning to obtain approval from the Miami-Dade Planning and Zoning Department, and the Architectural Design Review and Advisory Committee (ADRAC) of the Miami-Dade Housing

Finance Authority, the formulation and monitoring of Project Implementation Guidelines for both the procurement and supervision of the developer of Phase 2, the review and approval of construction documents submitted by the developer and the preparation of construction cost estimates based on those documents, and the provision of all technical, financial, and legal expertise related to the process for obtaining tax-exempt bonds and 4% low-income housing tax credits, it is recommended that the County Manager be authorized waive the competitive process and further authorize the County Manager to negotiate with H.J. Russell and to execute an addendum agreeable to both parties. It is also recommended that the addendum extend Contract No. 251 for an additional three years (with two additional one-year options to extend the Contract at the sole discretion of the County) because Contract No. 251 will expire in August 2006. In light of the delays caused by the above-referenced federal class action lawsuit and the need to accomplish the Program's requirements an extension is necessary. To cover both the costs of the above-mentioned additional services and the extension, it is further recommended that the County Manager be authorized to allocate up to \$830,000.00 from Documentary Surtax funds.

Finally, it is recommended that the County Manager be authorized to execute any agreements, and addenda necessary to effectuate any of the purposes of this resolution, and to exercise amendment, modification, renewal, cancellation, and termination clauses of said agreements and addenda.

  
\_\_\_\_\_  
Tony E. Crapp  
Assistant County Manager

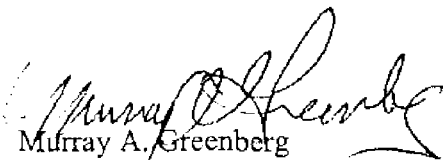


# MEMORANDUM

(Revised)

**TO:** Honorable Chairman Joe A. Martinez  
and Members, Board of County Commissioners

**DATE:** January 24, 2006

**FROM:**   
Murray A. Greenberg  
County Attorney

**SUBJECT:** Agenda Item No. 14(A)(2)

Please note any items checked.

"4-Day Rule" ("3-Day Rule" for committees) applicable if raised

6 weeks required between first reading and public hearing

4 weeks notification to municipal officials required prior to public hearing

Decreases revenues or increases expenditures without balancing budget

Budget required

Statement of fiscal impact required

Bid waiver requiring County Manager's written recommendation

Ordinance creating a new board requires detailed County Manager's report for public hearing

Housekeeping item (no policy decision required)

No committee review

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 14(A)(2)  
01-24-06

RESOLUTION NO. \_\_\_\_\_

RESOLUTION RATIFYING H.J. RUSSELL & COMPANY'S (H.J. RUSSELL) PROFESSIONAL SERVICES AGREEMENT FOR PROGRAM MANAGEMENT SERVICES (CONTRACT 251) FOR THE SCOTT/CARVER HOMES HOPE VI REVITALIZATION PROGRAM (PROGRAM) AND ADDENDA; WAIVING THE COMPETITIVE BIDDING PROCESS, APPROVING COUNTY MANAGER'S RECOMMENDATIONS FOR AWARD OF CONTRACT TO H.J. RUSSELL TO INCLUDE ADDITIONAL SERVICES REQUIRED TO COMPLETE THE PROGRAM; AUTHORIZING THE COUNTY MANAGER TO EXTEND CONTRACT NO. 251 FOR TWO ADDITIONAL YEARS; AND AUTHORIZING THE COUNTY MANAGER TO ALLOCATE UP TO \$830,000.00 FROM DOCUMENTARY SURTAX TO H.J. RUSSELL; AND AUTHORIZING THE COUNTY MANAGER TO NEGOTIATE, EXECUTE, AMEND, AND EXTEND SAID CONTRACT

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board:

Section 1. Ratifies Contract No. 251 by and between Miami-Dade County and H.J. Russell and its Addenda 1 through 8.

Section 2. Finds it is in the best interest of Miami-Dade County to waive formal bid procedures pursuant to Section 4.03(D) of the Home Rule Charter and of the County Code



by a two-thirds (2/3s) vote of the Board members present authorizes the County Manager to execute an Addendum to Contract No. 251, with the approval of the County Attorney's Office, for an amount not to exceed \$830,000.00 for the necessary additional program management services required for completion of the Scott/Carver Homes HOPE VI Revitalization Program and to extend the term of the Contract No. 251, through said addendum, for two additional years with two additional one-year options to extend the Contract at the sole discretion of the County. The County Manager is further authorized to allocate up to \$830,000.00 from Documentary Surtax funds to H.J. Russell to effectuate the purpose of this resolution.

Section 3. Authorizes the County Manager to execute any agreements, and addenda necessary to effectuate any of the purposes of this resolution, and to exercise amendment, modification, renewal, cancellation, and termination clauses of said agreements and addenda.

