



City of Maricopa

Legislation Text

File #: MISC 12-055, **Version:** 1

The Mayor and City Council shall hear and possibly take action to terminate the administrative services contract with Central Arizona Association of Governments in the amount of \$24,043.60 for the purposes of administering the Community Development Block Grants. Discussion and action.

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In March 2011, the Mayor and City Council approved a contract with Central Arizona Association of Governments in the amount of \$34,001 to provide administrative services for the Community Development Block Grant.

In April 2012, the Mayor and City Council approved an amended contract with Central Arizona Association of Governments in the amount of \$24,043.60 to provide administrative services for the Community Development Block Grant. Upon initial review of the grant contract received from the Arizona Department of Housing, it was determined Central Arizona Association of Government's Administration fee was calculated at 12% and the contract is being amended to reflect 10% or a savings of \$9,957.40 to be placed towards the project. Central Arizona Association of Governments will be administering the Maricopa Southside Water System Improvements/Fire Hydrants.

Historically, since the City of Maricopa began receiving Community Development Block Grant Funds in 2005, a contract has been approved with CAAG to write and administer the CDBG funds through the life of each grant. Maricopa has chosen to submit grant applications for one project each year or every other year. Based on submitting one project, CAAG has charged at 10% administration fee. The State of Arizona has a partnership with the regional Councils of Governments (COGs) to provide both technical and administrative assistance to CDBG grantee communities. Central Arizona Association of Governments (CAAG) has expertise in CDBG program administration and is often contracted by local governments to assist with application preparation and contract administration. These services may include, but are not limited to, attending application workshops, assisting with application scheduling, assisting with or developing project concepts, assisting with or performing public hearings, assisting with or compiling CDBG applications, assisting with or conducting special surveys, and assisting with conducting environmental reviews.

With the City's continued growth and the evolution of larger cities to administer Community Development Block Grant funds internally, City's leadership is requesting to terminate the administrative contract with Central Arizona Association of Governments to administer these funds. Maricopa has employees trained in application preparation, project development, public hearings, conducting special surveys, and environmental reviews. The City of Maricopa will continue to maintain its relationship with Central Arizona Association of Governments and work together to better the region.

Internally administering Community Development Block Grant Funds is a cost savings to the City. Grants staff will be able to seek reimbursement for the administrative costs resulting in a reduction of general funds used. Additionally, the percentage of funds set aside for the administrative costs related to Community Development Block Grants may decrease and more funds would be available to be put directly toward projects.

With the termination of this contract the City will receive an additional invoice for administrative functions completed through this contract. Based on the original contract this amount should not exceed \$6,010.90 and will be paid through the Grants Fund, Engineering, Technical Services (22044145-53340-12401).

Staff recommends terminating the administrative services contract with Central Arizona Association of Governments in the amount of \$24,043.60 for the purposes of administering the Community Development Block Grants.