

**A Study of the County Government's  
Selection and Funding Practices for  
Health and Human Services and  
Community Development Grant  
Awards**



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## EXECUTIVE SUMMARY

Each year, the County Government partners with a diverse group of more than 150 non-profit organizations to deliver services. The County's non-profit partners include large, established service providers and small, relative new advocacy organizations. The County's non-profit partners serve individuals with mental and physical disabilities, vulnerable children, and individuals who are homeless; the services provided include: in-home aide, residential treatment, after-school programs, housing services, and health care.

The County selects its non-profit partners through a combination of: competitive procurement solicitations; non-competitive contract awards; and County grant programs. This study examines: (1) the selection practices of four County grant programs that make awards for health and human services and community development activities; and (2) non-competitive contracts awarded through the Non-Competitive Award Designation List.

The County administers four grant programs that make awards to non-profits for health and human services and community development activities. Each of the four grant programs administers a competitive process to select award recipients. Each has a defined purpose, established funding eligibility guidelines, written application packages and forms, set application deadlines, a paneled review process, and maximum award amounts. In FY 05, the four grant programs resulted in 44 awards for a total value of \$1 million. Federally-funded Community Development Block Grants and Emergency Shelter Grants accounted for more than 80% of the money awarded through these four programs.

The Non-Competitive Award Designation List is an itemized list of non-profit organizations, services, and award amounts. The Council approves the Designation List as an attachment to the annual appropriations resolution for the County Government's Operating Budget. The FY 05 Designation List is 11 pages long; it lists 207 awards with a total value of \$39 million. The FY 05 List includes 159 awards (\$26 million) administered by the Department of Health and Human Services, and 18 awards (\$1 million) administered by the Department of Housing and Community Affairs.

The \$27 million of awards on the FY 05 Designation List administered by DHHS and DHCA reflect four categories of non-profit partnerships: financial or resource partners that underwrite the costs of service delivery; uniquely qualified providers that deliver specialized services; identified service providers that deliver a specifically defined service; and financial award recipients that pilot new initiatives or deliver services to individuals and communities beyond the reach of the County's existing services.

The selection process for the Designation List occurs as part of the annual budget development and approval process. To be nominated for a non-competitive contract award on the List, an organization can seek nomination from department staff, or a recommendation for receipt of a "discretionary grant". This study defines a "discretionary grant" as a non-competitive contract award nominated by either the County Executive as a Private Agency Request, or by one or more Councilmembers as a County Council grant.

Department staff report that they routinely re-nominate non-profits for non-competitive contract award from one year to the next. A review of documentation prepared by department staff found that only five of 129 contracts recommended for non-competitive awards had been competitively bid. Also, some of the stated reasons for using the Designation List matched the circumstances for two other types of non-competitive awards, one of which involves a more rigorous review process. This overlap raises issues about the relationships among different types of non-competitive awards.

For several years, the County Executive and County Council have used the Designation List to fund discretionary grants. The FY 05 Designation List includes \$1.9 million for 19 Private Agency Requests (all administered by DHHS), and \$1.5 million for 36 County Council discretionary grants (27 administered by DHHS and 9 administered by DHCA). Most of these awards fund non-profits that are either in the identified service provider category or in the financial award recipient category; some of the Private Agency Requests provide matching County funds for bond bills to leverage state or private funds.

The County Executive establishes the parameters for soliciting and nominating recipients for Private Agency Request awards. The Executive administers a flexible process so that the requests funded each year reflect the Executive's current budget priorities. Organizations are asked to send a letter of inquiry to explain the need, the program purpose, and the amount of funding requested. There is no central intake point, application form, fixed deadlines, minimum documentation requirement, or maximum award amount. The Executive designates his recipients for Private Agency Request awards in the Recommended Operating Budget, transmitted to the Council on March 15 of each year.

In May 2000, the County Council approved Resolution 14-490, "Fiscal Year 2001 Structure for Designating Entities for Non-Competitive Contract Award Status." This Resolution started a process to limit the entities in the Designation List, and recommended a periodic review of these awards. In 2002, the Chief Administrative Officer proposed, and the Council approved, a pilot program to post the Designation List on-line. The results the pilot program show 20 vendors submitted inquiries about the Designation List between August 2003 and December 2004; no awards were re-bid as a result of these inquiries.

**Recommendations for Council Action:** OLO and Council staff recommend that the Council work with the Chief Administrative Officer to address a number of key issues raised by this study. Specifically, the Council should ask the CAO to develop a timed review process and track the longevity of entities on the Designation List. In addition, the Council and CAO should jointly pursue a number of strategies to limit the use of the Non-Competitive Award List, including the possible removal of entities from the List. Finally, OLO and Council staff recommend the CAO be asked to examine the feasibility of creating a new type of grant award for existing health and human services and community development service activities.

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## **I. INTRODUCTION**

### **A. Authority**

Council Resolution 15-710, adopted July 27, 2004, FY 2005 Work Program of the Office of Legislative Oversight

### **B. Project Description and Purpose**

Each year, the County contracts with many non-profit organizations to provide a wide range of health and human services and community development activities. These funds are awarded through competitive procurements, non-competitive procurements, and grant programs.

As part of this process, the County Government operates competitive grant programs that provide funding for health and human services and community development activities. As part of the annual budget process, the Council also designates a group of vendors as eligible for non-competitive contracts through a resolution titled "Designation of Entities for Non-Competitive Award Status." Together, the grant programs and the Non-Competitive Award Designation List provide contract awards to over 150 different non-profit organizations to deliver health and human services and community development activities.

At the request of the County Council, this study examines the administration of County grant programs and the Non-Competitive Award Designation List. The review focuses on the County Government's current processes to solicit and select potential non-profit service partners. The study aims to sort out the sometimes competing policies that drive these activities, including commitments to:

- Ensure a competitive procurement process;
- Build the capacity of non-profit providers individually and as a network;
- Secure effective human services for vulnerable populations; and
- Connect contract awards with the County's human service goals and priorities.

The Council requested this Office of Legislative Oversight (OLO) study to better understand the County Government's multiple practices for selecting non-profit service providers and the types of funding relationships that the County enters into with these providers. OLO's recommendations pose a series of actions to more closely align the use of the Non-Competitive Award Designation List with the County's procurement policy and practices.

### **C. Definitions and Terms**

Any discussion of County grants and non-competitive awards is complicated by a complex and sometimes imprecise vocabulary. For example, the Resolution for Designation of Entities for Non-Competitive Award Status is often referred to as the “grantee list” or the “non-competitive list.” Both of these terms are imprecise because the County executes these awards through contracts and the list is not the only universe of non-competitive contracts. In this report, the Resolution will be referred to either by its title or as the Non-Competitive Award Designation List.

The term “grant” which refers to a transfer of funds from one entity to another, is also used with various meanings. Most often, it means an award given out through one of the County’s grant programs. However, it also refers to an award listed on the Non-Competitive Award Designation List. These awards may be either a transfer of funds as a result of an informal selection process or an award for an ongoing service contract. In this report:

- A **competitive grant** is a transfer of money from the County to a public or private entity that occurs following a competitive selection process.
- A **non-competitive grant** is a transfer of money from the County to a public or private entity without prior notice and without competition.
- A **discretionary grant** is a type of non-competitive grant made without a competitive selection process where the recipient is nominated by either the County Executive or one or more Councilmembers.

Chapter II (beginning on page 5) provides a more complete discussion and explanation of terms and definitions.

### **D. Scope and Timing**

The timing of this OLO report coincides with a separate review the Council is undertaking to examine the practices it uses to award its discretionary grants that are placed on the Non-Competitive Award Designation List, which the Council adopts as part of the approved Operating Budget resolution. In addition to providing a clearer picture of current County Government practices, the Council has indicated that OLO’s study may serve as a useful point of departure as the Council decides whether or how to change its own practices.

OLO’s in-depth review of County Government practices is limited to the:

- 1) County’s programs for Community Development Block Grants (CDBG), Emergency Shelter Grants, Community Service Grants, and Community Empowerment Grants;

- 2) Solicitation and award practices for the County Executive's Private Agency Requests; and
- 3) Awards in the Non-Competitive Award Designation List to entities that contract with the County to provide health and human services or community development activities for the Departments of Health and Human Services (DHHS) and Housing and Community Affairs (DHCA). In FY 05, these awards totaled \$26.7 million, including \$25.7 million in awards for health and human services activities and \$1 million for community development activities.<sup>1</sup>

#### **E. Methodology**

OLO staff member Sue Richards and Council staff member Essie McGuire conducted this study. Suzanne Langevin and Teri Busch in OLO also provided extensive support.

OLO collected information about the County's competitive grant programs through interviews with DHHS and DHCA staff and a review of the written program material. OLO collected information about the County Executive's solicitation and review practices for Private Agency Request funding through interviews with staff in the Office of the County Executive and the Office of Management and Budget (OMB).

OLO collected information about the County Government's practices related to the Non-Competitive Award Designation List through interviews with staff in DHHS, DHCA and OMB, the Office of Procurement, and the County Attorney's Office. OLO also reviewed written documentation, including the OMB Budget Preparation Manual, County law and regulations, and performed a key word search of the written justifications to support designation of entities for the FY 05 Non-Competitive Award Designation List.

#### **F. Organization of this report**

This study describes how the County Government selects entities for competitive grant programs and non-competitive contract funding and examines how these practices fit with other County programs and policies. It is organized as follows:

**Chapter II** presents definitions that relate to procurement processes, grants, non-competitive awards, and other terms used in this study.

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<sup>1</sup> The list of awards used in the study reflects the awards for DHHS and DHCA published in the Approved FY 05 Operating Budget with the following minor exceptions. This study includes one Private Agency Request that was inadvertently left off the published Designation List and excludes an award inadvertently published on the list. The number of awards in this study also differs from the number of awards on the published list because some of the award amounts in the Designation List consolidate some of the awards in this study. Finally, the inventory of DHHS and DHCA awards used for this study does not include numerous amendments that the County Council adopts after the list is published.

**Chapter III** presents background information on and the legislative history of the issue of County grants and non-competitive awards, including previous Council Committee discussions and policy resolutions.

**Chapter IV** describes the selection practices associated with the County Government's competitive grant programs, i.e., Community Empowerment Grants, Community Service Grants, Community Development Block Grants, and Emergency Shelter Grants.

**Chapter V** defines a discretionary grant, describes the County Executive's practices for private agency requests, and presents data to compare funding for competitive and discretionary grants.

**Chapter VI** describes the procurement framework for non-competitive contracts and the submission and review practices department staff follow for the Non-Competitive Award Designation List.

**Chapter VII** provides an in-depth review of the DHHS and DHCA awards in the FY 05 approved Non-Competitive Award Designation List, including a descriptive assessment of the types of funding relationships between the County Government and its non-profit community partners in DHHS and DHCA.

**Chapters VIII and IX** present OLO's findings and recommendations.

**Chapter X** presents the County Government's comments on this report.

## **G. Acknowledgments**

OLO would like to thank the following individuals for their time and insights:

Assistant Chief Administrative Officer Joe Beach; Jerry Pasternak from the Office of the County Executive; Marc Hansen from the Office of the County Attorney; Sara Burch, Jacqueline Carter, Beryl Feinberg, David Mack, Melanie Coffin (formerly) from the Office of Management and Budget; Bea Tignor, Pam Jones, John Lee, and Ed Stockdale from the Office of Procurement; Elizabeth Davison and Luann Korona from the Department of Housing and Community Affairs; Oliver Brown, Bill Clark, Carol Clore, Robert Debernardis, Richard Helfrich, Maureen Jones, Debbie Lucas, Carole Martin, Ron Rivlin, Arleen Rogan, Kenneth Rumsey, Susan Seling, Gale Shannon, Debbie Shepard, Wonza Nicholas-Spann, Joe Sparacino, and Dr. Ulder Tillman from the Department of Health and Human Services.

## **II. DEFINITIONS AND TERMS**

This chapter presents definitions for key terms as well as other words that have multiple meanings. The definitions are intended to provide the lay reader with a better understanding of the vocabulary associated with grant administration and procurement practices and to show the relationships among similar words and phrases.

**Award Instrument.** A mechanism for distributing County funds to entities outside County Government. Typical award instruments can include an award letter, reimbursement for a purchase order, a goods contract, or a service contract. The County's primary award instrument is a contract for goods or services. For FY 05, the Council authorized a grant award instrument for certain matching grant funds through the Partnership Grants for Arts/Humanities and Recreation (GAHR).

**Community Partner.** As a result of increased privatization of social services, the County increasingly relies on non-profit agencies who have social service missions to deliver health and human services to vulnerable populations. This relationship is carried out in a number of ways, including direct service contracts, referrals for supplementary services, and voucher or fee-for-service reimbursements.

Non-profit service providers that contract with the County to provide services are often referred to as community partners. This is an indistinct term, and can refer to a range of relationships. The term community partner is usually used to describe established service providers that not only contract with the County but collaboratively develop a service model, contribute financial or other resources to the funding relationship, or have pre-existing community relationships or networks that make service delivery more effective. However, "community partners" can also refer to a wider range of non-profit service providers who may not contract with the County but offer services in a related field and contribute to the overall well-being of the County's residents.

**Competitive Procurement.** The County Government buys, purchases, leases or otherwise acquires goods, services, or construction to carry out the business of government. In FY 04, the County Government procured \$543 million in goods and services, including \$198 million in competitive procurements for professional services (RFPs) and \$121 million in competitive procurements for goods (IFBs). A competitive procurement occurs when a commitment exists to solicit, either formally or informally, more than one valid source of supply for goods, services, or construction. County law defines several possible source selection methods that ensure a competitive procurement. Some of these are an informal solicitation, a formal solicitation, or an open solicitation.

**Grant.** Generically, the term grant is a transfer of funds from one entity to another, usually for a defined purpose. In this study, the connotations associated with the use of the word grant change, depending on whether the County role is that of a grant recipient, a grant intermediary, or a grant maker.

- When the County is a grant recipient, a grant is a transfer of funds *from* the federal and/or state government *to* the County or a private entity to fund the delivery of services.
- When the County is a grant maker, a grant is a transfer of funds *from* the County *to* a public or private entity. In its role as a grant maker, the County awards both competitive grants and non-competitive grants.

Competitive grant. A competitive grant is a transfer of money from the County to a public or private entity that occurs following a competitive selection process. Currently, the County administers several competitive grant programs, such as the Community Development Block Grant program, the Community Services Grant Program, and the Community Empowerment Grant program. These programs fund non-profits to assist with the delivery of health and human services, community development activities, and other services to low and moderate income people, vulnerable populations or minority communities.

Non-competitive grant. A non-competitive grant is a transfer of money from the County to a public or private entity without prior public notice and without competition. Unlike a competitive grant or a competitive procurement, there is no requirement to identify more than one valid entity as a source. The authority to distribute funds on a non-competitive basis comes from the County Code, Section 11B-14, Non-Competitive Contract Award. (See definition of non-competitive procurement below.) The criteria for awarding a non-competitive grant are that the Chief Administrative Officer must make a written determination that the award serves a public purpose and the proposed contractor must be identified in a grant or appropriation resolution approved by the County Council.

Discretionary grant – A discretionary grant is a type of non-competitive grant that is made without a competitive selection process. A recipient for a discretionary grant must be nominated by either the County Executive (as a Private Agency Request) or one or more Councilmembers. The County Executive determines who will receive his discretionary grants and how many grants to fund during the budget development and budget approval process. The Executive requests funding for his discretionary grant recipients as part of his Recommended Operating Budget. The County Council selects its discretionary grant award recipients during its review of the Executive's Recommended budget. Since a discretionary grant is a type of non-competitive grant, the criteria for making an award are the same as for a non-competitive contract award, i.e. that the CAO must make a written determination that the award serves a public purpose and the proposed contractor must be identified in a grant or in a County Council appropriation resolution.

- When the County is a grant intermediary, a grant is a transfer of funds from the federal or state government, to the County. The County, in turn, must transfer funds to a public entity or non-profit organization. The process that the County follows to select the recipient organizations must be consistent with purposes and guidelines the grant maker establishes. Depending on the structure of the originating grant, the County may also adopt additional guidelines or policies. The County functions as a grant intermediary in its administration of the Community Development Block Grant program.

Under current County law, a competitive grant or non-competitive contract award must be implemented as a contract and, as such, must meet contract requirements such as cost or pricing data analysis (\$50,000 or greater), liability insurance requirements, indemnification, specification of contractor performance, and payment schedules.

**Non-Competitive Award Designation List.** The official title of this document is the Resolution for Designation of Entities for Non-Competitive Award Status. The Council adopts this Designation List as an attachment to the Operating Budget Resolution. The Council action of “identifying a vendor in a resolution approved by the Council” accomplishes two things:

- It allows each vendor to satisfy one of the specific circumstances that justifies the award of a contract without prior notice and without competition.
- It initiates the process to award a non-competitive contract to each vendor on the list.

This Designation List is often referred to as the grantee list or the non-competitive list. For the purposes of this study, it will be referred to as the Non-Competitive Award Designation List.

**Non-Competitive Procurement.** A non-competitive procurement is the acquisition by contract of a valid County requirement without prior public notice and without competition. County law requires a non-competitive procurement to achieve a public purpose and meet one or more of four specific conditions:

- *The vendor must be a sole source provider. Only one source for the required goods, service or construction that can meet the minimum valid needs of the County exists.* The procurement regulations define a sole source procurement as “a non-competitive procurement in which goods, services, or construction necessary to meet the minimum valid needs of the County are available from only one person as provided in Chapter 11B of the County Code including those having the exclusive right to manufacture, sell or otherwise market certain goods or services.”
- *The County must require the goods or services for potential or pending litigation, condemnation, or collective bargaining.*

- *The vendor must be specifically identified in a grant accepted by the County.* The County's administrative procedures define a grant as "a legal instrument reflecting a relationship between the federal and/or state government or private/foundation entity and Montgomery County, when the purpose is the transfer of money, property, services or anything of value in order to accomplish a public purpose."
- *The vendor must be identified in a grant or appropriation resolution approved by the Council.* The County's procurement regulations define a grant as "an action by a public or private entity which directs funds on a non-competitive basis to a specific entity." In practice, when the County Council adopts the Non-Competitive Award Designation List as an attachment to the Operating Budget Resolution each year when it approves the budget, it creates a list of vendors or grantees (with a brief service description and an estimated award amount for each) who are eligible for a contract awarded non-competitively.

**Unsolicited Proposal.** An unsolicited proposal is a proposal to render services or deliver goods to the County outside of a solicitation by the County. The procurement regulations state that unsolicited proposals should be evaluated by an appropriate using department in terms of need, price and funds available. If funds are available and need is present, the using department may initiate an appropriate solicitation as provided by the procurement regulations, based upon the unsolicited proposal.

### III. BACKGROUND

This chapter describes the current Non-Competitive Award Designation List, adopted as part of the Approved FY 05 Operating Budget; reviews recent legislative history concerning competitive grant programs and practices to manage the Non-Competitive Award Designation List; and presents the funding for DHHS and DHCA awards since FY 97.

#### A. Profile of the FY 05 Non-Competitive Award Designation List

The Resolution for Designation of Entities for Non-Competitive Award Status designates entities that are eligible to enter into service contracts with the County Government without going through a competitive procurement process. The designation list identifies the purpose and amount of funding the County Government expects to award to select contractors non-competitively.

The Council formally approves the Non-Competitive Award Designation List as part of the annual budget process. Under current County law, grants must be implemented as contracts and as such must meet contract requirements such cost or pricing data analysis (\$50,000 or greater), liability insurance requirements, indemnification, specification of contractor performance, and payment schedules.

For FY 05, the Designation List includes 207 awards to 142 organizations for \$39.0 million. Eleven different County Government departments receive appropriations associated with these awards. (See Appendix 1 for a copy of the FY 05 Designation List.)

**TABLE 1. FY 05 NON-COMPETITIVE AWARD DESIGNATION LIST BY DEPARTMENT**

Department	Number of Awards	Number of Organizations	Award Amount (000s)	Percent of Total Amount
Correction and Rehabilitation	2	2	\$ 905	2
Economic Development	9	9	4,966	13
Health and Human Services	159	99	25,948	66
Housing and Community Affairs	18	13	1,075	3
Police	1	1	1,385	4
Public Libraries	1	1	129	<1
Public Works and Transportation	6	6	669	2
Recreation	8	8	1,706	4
Regional Service Center-Bethesda	1	1	100	<1
Sheriff	1	1	100	<1
Technology Services	1	1	2,050	5
<b>GRAND TOTAL</b>	<b>207</b>	<b>142</b>	<b>\$39,033</b>	<b>100%</b>

Source: OLO and Approved FY 05 Operating Budget, 2005.

The scope of this OLO study is limited to 177 non-competitive awards on the list that provide health and human services or community development activities. In FY 05:

- The Department of Health and Human Services (DHHS) administers 159 awards to 99 organizations totaling \$26.0 million. These awards represent 77 percent of the total number of awards and 66 percent of the total dollar value in the designation list.
- The Department of Housing and Community Affairs (DHCA) administers 18 awards to 13 organizations totaling \$1.075 million. This represents nine percent of the total number of awards and three percent of the total dollar value in the designation list.

Together the DHHS and DHCA awards total \$27.023 million, or 69% of the \$39.0 million in the designation list.

Entities named in the Non-Competitive Award Designation List represent a full spectrum of organizations and services. The designation list names non-profit service providers that range from small, relatively new advocacy organizations to large, established service providers. For example, some of the designated providers serve individuals with mental and physical disabilities, vulnerable children, individuals who are homeless, and uninsured County residents; they provide in-home aide services, residential treatment, after-school programs, housing services, and health care.

The per contract awards approved on the FY 05 Non-Competitive Award Designation List range from \$3,615 to \$1.8 million. An entity can be listed for multiple awards on the designation list; the largest combined award for a single organization in FY 05 is \$4.3 million.

Within this large range of awards, an assessment of the contracts on the list shows that several subcategories of contracts share similar characteristics in terms of their funding relationship with the County and their relationship to the service delivery system. Chapter VII discusses these categories and relationships in greater detail.

## **B. Summary of Recent Legislative Highlights**

Since 1999, the Council has held numerous discussions about solicitation practices for County grant programs and practices to manage non-competitive contract awards. The following review highlights some key concerns and issues.

### **1. Council Ad Hoc Committee on Grants, June 1999**

In June 1999, Council President Leggett appointed Councilmembers Berlage, Praisner and Ewing to an Ad Hoc Grants Committee. The Ad Hoc Committee was asked to address concerns that had surfaced during the Council's review of the FY 00 budget

about policies and practices for Community Service Grants, Community Empowerment Grants and Community Development Block Grants. Specifically, Councilmembers had raised concerns about:

- The lack of coordination among the County's grant programs,
- The lack of coordination among these programs and the Council's approval of discretionary grant awards in the Non-Competitive Award Designation List;
- How recipients of awards through the County's grant programs were held accountable for meeting the terms of their grants; and
- Whether the decision to award a grant through each of the County's grant programs took into account consistency with County policies.

The County Executive sent a memorandum to Mr. Leggett that responded to these concerns and the Ad Hoc Grant Committee met with County Government representatives on July 22, 1999. Based on its discussion with the County Government representatives and a review of a memorandum from the County Executive, the Ad Hoc Committee:

- Agreed with Executive's recommendation that the Office of Management and Budget (OMB) develop a fact sheet or brochure about County grant programs and advertise the grants more widely and in a timely manner;
- Asked OMB to consider the feasibility of developing a central point of administration for the County grant programs' application and award processes;
- Requested that each grantor selection committee provide the Council with a grantee wish list for the Council's review of meritorious projects not approved for grants;
- Requested OMB provide written information about the auditing process and how many grants are audited;
- Expressed the need to consider how recommended grants interact with other existing initiatives; how they address known areas of need; and whether grants support an established program or an innovative approach.

In terms of whether the decision making process for these grants considered consistency with County policies, the County Executive noted in his written response to the Council that:

Awards of grants to non-profit organizations reflect, and are consistent with, my commitment to provide basic health and human services, as well as expanded arts and cultural opportunities to the citizens of Montgomery County. Our efforts in this regard also help to strengthen Montgomery County's extensive network of private, non-profit organizations, encourage economic development and job training efforts, empower grass roots initiatives in our diverse communities, and foster the development of a rich cultural environment. (CE Response to Ad Hoc Grants Committee, Review of Grants Applications and Award Process, July 15, 1999.)

The Ad Hoc Committee sent a summary report to the Council. In December 1999, the Chief Administrative Officer responded to the Council's concerns. He stated that the Executive did not support creating a central administration point because it could increase confusion for applicants; suggested the Council's need for more information on proposals not recommended for awards could be handled through informal staff exchanges; and forwarded auditing information from the Department of Finance as well as a copy of an information brochure. (Discussion of Issues from Ad Hoc Committee on Grants, December 3, 1999. See the Appendix for a copy of the informational brochure.)

## **2. Management and Fiscal Policy Committee Worksession Discussion of the Non-Competitive Award Designation List, December 1999**

In December 1999, the Council's Management and Fiscal Policy (MFP) Committee discussed the mechanics associated with the Non-Competitive Award Designation List. The Council staff packet for the MFP Committee meeting included the following information:

- In addition to the Non-Competitive Award Designation List that designates certain entities eligible for non-competitive contracts, the County awards other contracts as sole source contracts throughout the fiscal year. Procurement law and regulations require these awards to be based on a determination and finding. For contracts over \$25,000, the law requires that the Contract Review Committee determine that there are not reasonable alternatives to a sole source contract.
- There were over 200 contract awards listed on the FY 2000 Non-Competitive Award Designation List. The designation list has grown over the years and contains many varying kinds of contracts. The purpose of the list is to designate non-competitive contracts that serve a public purpose; it need not contain contracts that have been through a competitive or alternative process under the procurement regulations.
- Many of the vendors who appear on the Non-Competitive Award Designation List receive a contract for a short period of time. However, many vendors have appeared on the list for over five years. While the list has many vendors receiving relatively small grants, there are also a few organizations that receive more than \$1 million each over several contracts. In some cases, there is a periodic attempt to see if the services are available from other vendors through the issuance of a Request For Proposals (RFP). However, there are many examples where this kind of look at the market for services does not occur.
- The general policy of the County is to use a competitive procurement process to assure the best value to the taxpayer. The County also supports the use of approving multi-year contracts for a maximum of three years to encourage periodic re-bidding to determine whether marketplace conditions have changed.

- Department of Health and Human Services (DHHS) staff view many of the vendors on the Non-Competitive Award Designation List as “community partners” instead of contractors. DHHS has an overall interest in building the service delivery capacity of the private sector as many non-profits provide services to support vulnerable populations based on the County’s commitment to serve these same people. Also, some small non-profits may not be able to survive as organizations without the County’s support.

As a result of the MFP Committee’s discussion, in May 2000, the County Council approved Council Resolution 14-490 to amend the designation process for the Non-Competitive Award Designation List. Below is a summary of the key provisions set forth in Resolution 14-490. (See Appendix 3 for a copy of Resolution 14-490.)

*Resolution 14-490 provides that the designation of entities for non-competitive contracts be approved as part of the County Government Operating Budget Resolution.* Resolutions approving emergency or supplemental appropriations during the fiscal year will specify if the funds are designated for a non-competitive contract and the proposed vendor. If a designation is approved by the Council, the original designation list is automatically amended.

*Resolution 14-490 states that the list of designated entities will continue to include a purpose statement for each non-competitive contract.* A change in purpose requires an amendment to the approval resolution.

*Resolution 14-490 states that the list of designated entities will continue to include a dollar amount for each non-competitive award.* These amounts are estimates only and should not be interpreted as the amount that must be granted. An amendment to the designation list is required when the award exceeds the estimate by 10% or \$25,000, whichever is smaller. However, an amendment is not required if the award exceeds the estimate by less than \$5,000.

*Resolution 14-490 states that the list of designated entities should include only proposed non-competitive contracts.* Competitive grant awards such as Community Development Block Grants, Community Empowerment Grants, and Community Service Grants will no longer be included in the list because these awards are the result of a competitive process.

*Resolution 14-490 recommends that the County Executive put in place a process to assure that non-competitive contracts receive periodic reviews, particularly for those goods or services that are procured through a non-competitive contract in multiple years.* The review process should determine if a competitive process should be used to procure the desired goods and services. The Council also encouraged the County Executive to explore whether other mechanisms, such as a memorandum of understanding, should be approved and used in certain long term arrangements, such as the provision of human services by non-profit organizations.

### **3. Review of the Health and Human Services Policy, 2000-2002**

In February 1994, the County Council adopted the first Health and Human Services (HHS) Policy as Council Resolution 12-1491. The policy required review in the fifth year following its adoption. The Health and Human Services Committee conducted this review over two years with input from the Department of Health and Human Services (DHHS) and community stakeholders. In November 2002, the Council adopted a revised HHS Policy as Resolution 14-1509.

Among the policy issues addressed in the HHS Policy is the relationship of the public and private sector in delivering health and human services. Both the initial and revised versions of the HHS Policy state that: "The roles of the private and the public sectors in the health and human services system should be complementary." In the first version, this section discusses the importance of community needs assessment and planning, and the roles of both sectors in this planning process. The section states that "the private sector is generally the preferred service deliverer;" this statement is followed by a section that outlines the very limited circumstances in which government should provide services.

This section and statement were the subject of significant debate during the policy review. At issue was how to best determine who should deliver a given service and under what circumstances. Councilmembers, DHHS, and community participants agreed that non-profit service providers are an integral partner in service delivery; however, there were varying opinions on to what degree the private sector should assume a primary service delivery role and how to balance the relationship.

The revised section of the HHS Policy deleted the sentence that the private sector is the preferred provider. Other important aspects of the revised policy section include:

- An acknowledgement that both sectors deliver services in the County's health and human services system. In some cases the County is mandated to provide services directly, while it has discretion in other cases; and
- A statement that "The County benefits from its relationship with private sector providers in service delivery."

In addition, the revised HHS Policy outlines criteria to help determine which sector will provide a given service. This determination must evaluate which sector can provide the services most effectively, cost efficiently, and with greatest public accountability for quality. The HHS Policy lists the following specific factors for consideration:

- Whether private providers exist;
- Whether a combination of public and private sector delivery would be effective;
- The relative costs in each sector, including contract monitoring and evaluation;
- Total funding sources needed, and where those funding sources can be supported; and
- Where service delivery can best provide for consumer choice.

#### **4. MFP Committee Worksession on the Non-competitive Contract Awards, July 2002**

In July 2002, the MFP Committee discussed several issues related to non-competitive contract awards, including the lack of a defined process for funding non-competitive grant requests. The Committee's worksession packet contained an overview of the County's procurement framework for competitive and non-competitive contract awards, and identified concerns about the non-competitive contract award process. The issues presented to the Committee are summarized below.

- *Council staff questioned the practice of continuing to award funds non-competitively year after year for the same service. Staff observed that this process does not ensure that the County receives the best service for its dollars, and creates a barrier of entry for organizations seeking to initiate or expand services in the County.*
- *Council staff noted that in Resolution 14-490, the Council asked the Executive to put in place a process to assure that non-competitive contracts receive periodic reviews. Council staff also suggested adding a requirement that formal Requests for Proposals be solicited every five years, perhaps with a threshold dollar amount to exclude smaller amounts.*
- *Council staff also discussed DHHS' practice of joining with community partners to deliver services and suggested a memorandum of understanding might be more appropriate than a service contract as a vehicle for structuring long-term service delivery arrangements with non-profit service providers. Staff observed that the current procurement system is counter-intuitive to a partnership model because it considers all vendors to be contractors.*

#### **5. MFP Committee Worksession on Non-Competitive Contract Awards, October 2002**

In October 2002, MFP Committee met to discuss a memorandum from the Chief Administrative Officer (CAO) that addressed issues raised as a result of the July meeting. The items reported in the CAO's memorandum are summarized below.

*The County Attorney advised that, under current law, an agreement with a grantee (whether a contract or a memorandum of understanding) must go through the procurement process because public money is expended in exchange for services. This means that the services contract must be executed by a contracting officer and long term contracts must comply with the Charter, which provides that no expenditure of County funds shall be made or authorized in excess of available unencumbered appropriations.*

*In response to the suggestion for a process to ensure periodic review of non-competitive awards, the CAO proposed a more prominent public posting of the Council's Grantee List on the County's website. The CAO proposed that this posting be accompanied by a form that potential vendors could complete if they were interested in bidding on a*

particular service. By completing this form on the County's website, a vendor could notify the County of its interest in providing a particular service. Staff in OMB would monitor the site. If a specific service received three or four inquiries, OMB would notify the department to prepare a draft Request for Proposal for the service, instead of recommending an entity for designation on a Non-Competitive Award Designation List as part of the next budget process.

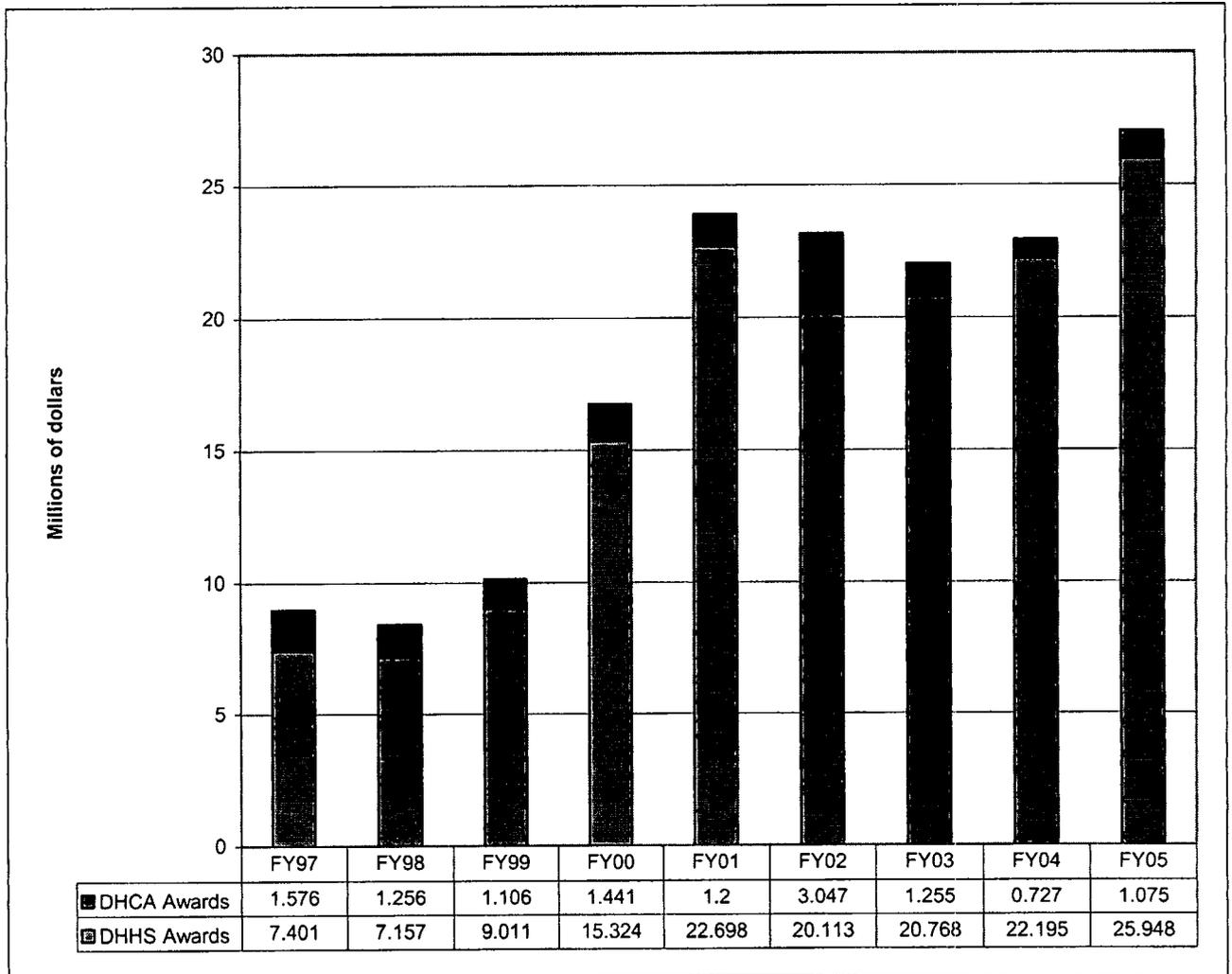
The MFP Committee sent a memorandum to Councilmembers informing them that the Committee supported the CAO's initiative as a pilot program and suggesting the Council postpone considering a dollar threshold for a timed review process until after the results of the pilot program were available.

### **C. Funding Trend Data**

OLO and Council staff compiled data about the amount of funds approved for the DHHS and DHCA non-competitive awards since FY 97. This data is displayed in Exhibit 1. The data show:

- The total amount of non-competitive DHHS and DHCA awards nearly tripled from \$9.0 million in FY 97 to \$27.0 million in FY 05.
- The value of these awards increased \$7.3 million between FY 99 and FY 00, and an additional \$6.1 million between FY 00 and FY 01.
- The increase between FY 00 and FY 01 does not reflect an additional \$2.1 million in awards (for Community Empowerment Grants, Community Service Grants, Community Development Block Grants and others), which Council Resolution 14-490 removed from the list in May 2000.

**EXHIBIT 1. DHHS AND DHCA NON-COMPETITIVE DESIGNATION LIST  
AWARD AMOUNTS, FY 97-FY 05**



Source: OLO and Approved Operating Budget Resolutions, FY 97-FY 05.

## **IV. COMPETITIVE GRANTS**

This study defines a competitive grant as a transfer of money from the County to a public or private entity that occurs following a competitive selection process. Currently, the County administers several competitive grant programs, such as: the Community Services Grant Program, the Community Empowerment Grant Program, the Community Development Block Grant Program, and the Emergency Shelter Grant Program. These programs fund non-profits to assist with the delivery of health and human services, community development activities, and other services to low and moderate income people, vulnerable populations, or minority communities.

The Department of Health and Human Services administers the Community Services Grant Program, which is funded with local dollars. The Department of Housing and Community Affairs administers the other three programs. The Community Empowerment Grant Program is funded with local dollars and the Community Development Block Grant and Emergency Shelter Grant Programs are funded with federal dollars.

### **A. Community Service Grants**

The Community Service Grant (CSG) Program provides County funds to assist non-profit agencies with one-time capital equipment purchases. The CSG Program, initiated in 1997 by the County Executive, supports health and human service projects that contribute to the County's goal of a "safe, healthy, and self-sufficient community."

In FY 05, the County Council approved \$140,420 to fund nine Community Service Grants. Over its seven year history, the CSG program has provided almost \$4 million to fund 263 grants. (See Appendix 4 for a list of the FY 05 awards.)

**Program Administration.** The Office of the Director of the Department of Health and Human Services administers the Community Service Grant Program. Staff support for the CSG program (provided through a broker contract) consists of approximately 20 hours per week from September to January, and five hours per week during the rest of the year.<sup>1</sup>

**Eligibility Guidelines.** Program guidelines (developed by DHHS) state that any non-profit organization that provides health and human services to County residents is eligible to apply for a Community Service Grant. An organization's headquarters can be located outside of the County; however, the organization must demonstrate that the grant funds will be used to serve County residents.

The County's program guidelines establish the maximum grant award at \$20,000. The grant must be used for one-time capital improvements and the project must begin and end within one fiscal year. The guidelines limit an organization to one application per year. Grant money cannot be used to pay for ongoing operating costs, to pay off an existing deficit, or to replace another source of funds.

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<sup>1</sup> The broker contract is a standing contract between DHHS and an agency to provide personnel on a temporary or interim basis. It is primarily used to secure professional staff.

**Process for Soliciting Applications.** DHHS uses direct mail and advertising in local newspapers to publicize the availability of Community Service Grants. Every fall, DHHS sends a letter about the Community Service Grant program to a database of 400 non-profit entities that DHHS develops and maintains. Staff advertises the program in local newspapers, such as *The Gazette* and *El Pregonero*. Staff also posts a 13-page document on its County website that provides information about program deadlines, application guidelines, and an application form. (See Appendix 5.)

Since the program's inception, DHHS has changed its practices slightly to strengthen its outreach to ethnic communities. For example, in the FY 06 grant cycle, DHHS intends to expand advertising to two local foreign language papers, *El Pregonero* and *Asian Fortune*.

**The Application Form.** The application form for a Community Service Grant is a five page document that can be downloaded from the DHHS website. DHHS staff will also mail out hard copies of the applications, if an organization calls to request one. DHHS staff report that the number of applications it mails out has decreased considerably since the application form was posted online.

The application form asks for the amount of funding the agency is requesting, a "brief synopsis" of the agency's application, a description of the agency's mission and the project the grant funds will support. The applicant must list expected project outcomes and how they will be measured. The agency must identify any innovative features associated with the use of the money, explain how the grant request fits into the agency's overall budget, and how the use of grant funds would be affected by a three to five percent funding reduction. The application also asks the agency to address how these funds will be used in collaboration with other agencies.

The application form asks the agency to supply project budget information, such as cost estimates for renovation projects (with attached documentation to support the estimate). The application specifies that the budget information should relate only to the project costs where the grant funds will be used. The application does not request information about the organization's total operational budget.

The final part of the application requests documentation to support the agency's request, including proof of the applicant's incorporation and non-profit status, a financial statement, a total organization budget, and a list of the officers and members of the board of directors.

**Application Deadline and the Intake Process.** The application deadline for FY 06 was November 4, 2004 at 3:00 p.m. The applications must be hand-delivered to DHHS offices on the 5<sup>th</sup> Floor at 401 Hungerford Drive.

The application must be typed and submitted on the appropriate form with the required attachments, i.e., proof of the organization's non-profit and incorporation status, last year's financial statement, the current year's budget, and the current list of the board of directors with addresses and telephone numbers.

An applicant must provide eight copies of the application and the attachments, plus a Grant Application Checklist. In addition to itemizing the required documentation, the applicant must disclose if s/he has applied elsewhere for funding, including another County Government grant program. If an application is incomplete or delivered after 3:00 p.m., staff deems the application to be ineligible for funding.

**Evaluation Criteria and Selection Process.** DHHS convenes a five-member panel to review and score the eligible applications. The panel is not formally appointed and changes from year to year. DHHS selects members for their professional background, ethnic diversity, and lack of affiliation or ties to potential applicants. The Director of DHHS chairs the review panel.

The panel members meet in January to score the applications. In the second year of the program, DHHS developed an evaluation summary sheet to provide information and a structure for the review process. The summary sheet provides contact information and the funding history for each organization plus a fill in the blank scoring system. The Department uses four criteria to score each application. The criteria and points are as follows:

- Extent to which the proposal matches County and DHHS objectives (45%);
- Strength of the proposal (25%);
- Strength of the organization (15%); and
- Innovative features of the proposal (15%).

In addition to scoring the applications based on the evaluation criteria, the panel members also review the applications for legibility, clarity, and compliance with the applicable guidelines. The program gives priority to a project that meets one or more of the following special considerations:

- Contributes to a safe, healthy and self sufficient community;
- Has financial or in-kind support from other, non-County sources; or
- Encourages or supports innovative, efficient delivery of services/technology.<sup>2</sup>

Each panel member completes an evaluation sheet for each application and the panel uses these scores to calculate an average score for each organization. The panel members compare their cumulative scores to identify any inconsistencies or irregularities and rank the applications using the average scores.

DHHS staff reports that most of the panel recommends funding that matches the amount the applicant requests. DHHS states that many applicants attach documentation to support their request to the application form, even though it is not required. The award establishes the maximum amount of funding an applicant would be eligible to receive; however, the amount of the actual award is a reimbursement based on the actual cost of purchase.

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<sup>2</sup> DHHS reports that some examples of awards in this category included funds to purchase a tractor for an organization that gleaned fields for food to supply soup kitchens and funds to purchase an electronic message board for a senior housing facility that broadcasts reminders or bulletins to notify residents of upcoming events.

The review panel divides the list of selected applicants and award amounts into tiers and presents its recommendations to the County Executive. In FY 05, the review panel reported it received 63 proposals, including 3 ineligible proposals. The review panel grouped the successful applications into five priority tiers for the County Executive's review.

The County Executive uses the review panel's priority tiers to make the final award decision. DHHS staff reports that the County Executive routinely awards funds by priority tier, based on the availability of funds.

The list of recommended award recipients is published in the County Executive's Recommended Budget and transmitted to the County Council on March 15. OMB staff coordinates the distribution of award notices after the Executive's Recommended Budget is published. The organizations recommended for funding receive an award letter from the County Executive; those not recommended for a Community Service Grant receive a letter from the DHHS Director.

**Award Practices.** In the grant application packet, DHHS states that successful grantees will be required to sign a contract detailing terms with Montgomery County and that grant funds will be disseminated according to the terms of the contract. In practice, the award instrument consists of a letter and a budget sheet. DHHS executes a direct purchase order to reimburse each organization for its purchase.

DHHS program guidelines also require the applicant to submit to the County a one-page summary of how the grant monies were used and how their use contributed to the community outcomes of safety, health, and self-sufficiency. This report must be filed within 30 days after the project is completed.

## **B. Community Empowerment Grants**

The Montgomery County Partnership for Community Empowerment Grants Program provides funds to support organizations that work to overcome barriers to full community participation. Community Empowerment Grants fund projects designed to increase community pride, community participation, and community self-sufficiency, or encourage diversity and multicultural unity. The intent of the program is to provide funds to support small, grass roots organizations with limited budgets that rely heavily on volunteers.

In FY 05, the County Council approved \$28,700 to fund two Community Empowerment Grants. Since its inception in 1997, the Community Empowerment Grant program has awarded \$1,185,131 for 65 grants. (See Appendix 6 for the list of FY 05 grants.)

**Program Administration.** The Office of Human Resources initially administered the Community Empowerment Grants Program. In June 2000, the County Government transferred the program responsibility to the Federal Program Section in the Department of Housing and Community Affairs. Currently DHCA administers this program with limited staff resources.

**Eligibility Guidelines and Project Restrictions.** DHCA's program guidelines limit funding to private, non-profit organizations that represent minority groups or other groups that work to overcome barriers to fuller community participation. An organization must be located in Montgomery County and must have no outstanding debt obligations to Montgomery County.

The guidelines define an eligible project as "a program, activity, service, event, or series of events that improves the quality of community life; encourages new works or innovation in the community; develops new strategies to enhance community empowerment and pride; provides effective opportunities for community participation; and enhances a collaborative relationship between community residents and the target population and between the private not-for profit organization and Montgomery County."

The guidelines state that the project must enhance community pride, participation and self-sufficiency; must be innovative; and must not duplicate an existing County program that targets the same population. Project costs must be directly related to the project. Costs associated with the daily operation of an organization or with any operating deficits, scholarships, or travel are ineligible. The maximum award is \$25,000.

**Process for Soliciting Applications.** DHCA staff report that the level of advertising and outreach for the Community Empowerment Grant program depends upon the anticipated availability of funding. To avoid creating unrealistic expectations, when funding is limited, DHCA does not advertise the program widely. In years when funding is more available, staff distributes a program notice using electronic mail to a list of community contacts, including people who work with immigrant populations. DHCA also publicizes the availability of Community Empowerment grants on its website.

**The Application Form.** The application packet posted on DHCA's website includes a 21-page application form. The cover page of the application asks for the amount of the grant request and the amount of the total project budget. The applicant must provide information about the organization, including its mission, when it was established, how many paid staff and volunteers there are, and what services the organization provides.

The application form asks for a project description that addresses what the project will do, who it will serve, and what the County's role will be. The applicant must describe the unmet community need the project will address, how the applicant determined that these needs exist, and how the project will address these needs. The applicant must also explain what is unique or innovative about the proposed project and describe how this project will empower the community. The description must explain how the project will address issues of diversity and/or provide more effective opportunities for community participation.

The applicant must identify the expected project accomplishments and explain how the applicant will evaluate the project's success, including the specific quantifiable performance measures the applicant intends to monitor.

The application also asks for information about the organization's total operating budget and how this grant fits into the overall budget. The applicant must report the major sources of funding for the organization; whether the organization has received any County funds within the last five years; and whether the organization has any other pending funding applications for this project. The application asks for an itemized project budget that specifies how both Empowerment Grant funds and other sources of funds would be used.

The final section of the application asks the applicant to list other organizations that it intends to partner with and to specify the personnel, skills, and experience of the project administrators. The application includes a checklist of mandatory and optional items and a list of "assurances" or conditions.<sup>3</sup> (See Appendix 7 for the application packet.)

**Application Deadline and Intake Process.** The application deadline for FY 06 was November 22, 2004 at 4:00 p.m. The application had to be typed and could be mailed or hand-delivered to DHCA's office at 100 Maryland Avenue.

The applicant must submit one original and two copies of the application, plus one copy of the attachments. The applicant must complete the checklist of application attachments and label the documents in the order listed on the check list. The applicant must note on the checklist whether the document is attached or the information is not applicable.

The mandatory attachments include proof of organizational status, a list of the names, addresses and terms of the Board of Directors, an organizational chart, a copy of the organization's annual budget, and a copy of a certificate of insurance. Optional items include a list of programs and projects that the organization administers in addition to those that would be funded by the grant, a copy of the organization's most recent audit, and a list of pending grant applications for the same or a similar project.

In December, staff notifies an applicant in writing that his/her application was received and reviews the applications for completeness and eligibility. Staff gives an applicant seven calendar days to provide missing information for minor items such as a missing signature or telephone number. Staff notifies an applicant in writing if an application is deemed ineligible for funding; an incomplete application is returned to the applicant.

**Evaluation Criteria and Selection Process.** The application packet lists six criteria that are used to evaluate the applications. They are:

- Community empowerment strategies;
- Organizational experience, knowledge and achievement;
- Importance of diversity and multicultural unity;
- Project uniqueness and innovation;
- Monitoring and evaluation plan; and
- Project cost and overall funding strategy.

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<sup>3</sup> The applicant must assure that funds: will be administered by the applicant, will not be used to supplant any other funds, and will be used only for the designated activity. In addition, the applicant must assure that it intends to comply with the Civil Rights Act of 1964, and will make every attempt to ensure that the program is accessible to the disabled. The individual filing the application must certify that s/he is officially authorized to represent the applicant organization.

The program guidelines define a successful applicant as one who demonstrates the capacity to undertake a project, to use volunteers, other in-kind services, and funding effectively, and to cooperate and collaborate with agencies that provide similar services. A successful project is expected to respond to identifiable, unmet needs; to have clearly stated goals; and to have a plan of action consistent with the proposed budget.

DHCA conducts an informal internal staff review, led by the DHCA manager who heads the Federal Programs Services section. This staff workgroup evaluates the applications and makes funding recommendations to the County Executive. The panel members are knowledgeable about diversity initiatives, needs assessment, community empowerment, and effective service delivery. There is not a formal scoring sheet for each application. Instead, the review process consists of a determination that the proposal meets the eligibility requirements, i.e., that it is not an ongoing project, and that it is aligned with a department's mission. To accomplish this, staff will check with relevant department staff to address how the project, if it were funded, would coordinate with an existing County program or service. Staff will also ask about applications for other County funds. The staff forwards a priority ranking for Executive consideration.

The County Executive decides the final list of Community Empowerment Grant recipients. The list of recipients is published in the Executive's Recommended Operating Budget that is forwarded to Council on March 15. Staff in OMB coordinates the distribution of award notices after the Executive's Recommended budget is published.

The organizations recommended for funding receive an award letter from the County Executive; those not recommended for a Community Empowerment Grant receive a letter from the DHCA Director.

**Award Practices.** After the Council makes final budget decisions, DHCA staff and the successful applicants enter into negotiations to draft and execute a service contract. Staff works with the applicants to help them meet the County's standard contracting requirements and works to finalize and execute the contract by July 1.

### **C. The Community Development Block Grant and Emergency Shelter Grant Programs**

The Community Development Block Grant (CDBG) Program funds services and facilities that primarily benefit low- and moderate-income residents. In FY 05, the County Council appropriated \$6,221,000 (plus \$900,000 in program income) in federal CDBG funds. This total has several designated categories, including a provision that allows up to 15% of the total appropriation to be spent for public service activities. Montgomery County's practice is to use this portion of the funds to support non-profit service providers. In FY 05, the County distributed \$733,100 in CDBG funds for 29 awards. (See Appendix 8 for a list of the FY 05 CDBG awards.)

The Emergency Shelter Grant (ESG) Program funds services and facilities that primarily benefit persons who are or may become homeless. In FY 05, the County Council appropriated \$231,292 in federal ESG funds. Approximately \$134,000 was appropriated to DHCA for administration of the program, prevention services, and renovation and

maintenance work on homeless shelters. The remaining funds (\$97,200) were distributed to four non-profit organizations for eviction prevention, emergency assistance, and case management activities. Eviction prevention can include rental, utility, or other cost assistance to bridge a short-term need. (See Appendix 9 for a list of the FY 05 awards.)

**Program Administration.** The Federal Program Section in the Department of Housing and Community Affairs administers the Community Development Block Grant and Emergency Shelter Grants Programs. Staff resources for this program are paid for with federal dollars.

**Eligibility guidelines and project restrictions for the CDBG program.** Both the federal and County governments have eligibility guidelines for CDBG funds. These regulations require two public hearings and limit eligible program activities.

- Federal public hearing requirement. Federal law requires the County to conduct two public hearings as part of the annual process to receive CDBG funds. DHCA conducts one hearing each fall and the County Council's budget hearing serves as a second hearing in the spring.

These hearings are intended to determine community need, and provide feedback from the community and advocacy organizations as to what service and community development priorities should receive funding in the coming year.

- Federal limits on eligible program activities. Federal legislation regulates the types of activities that CDBG funds can be used for. Under CDBG regulations, an activity must meet one of two national objectives and address one of several program areas. The two national objectives are:
  - To benefit people with low and moderate incomes, or
  - To help prevent slums and blight.

*Benefiting people with low or moderate incomes.* Most activities that receive CDBG funding either establish income eligibility requirements for project participants or locate the activity in a geographic area where the majority of residents have low or moderate incomes.

Federal CDBG regulations allow programs designed for the elderly or disabled to qualify provided that at least 51% of the elderly or disabled participants have low and moderate incomes. The County further limits the application of this federal guideline, based on the nature of the particular activity, by establishing a higher minimum percentage when it drafts a service contract, The County encourages applicants to meet the highest limit possible and reserves the right to raise this minimum to 70%.

*Preventing slums and blight.* To meet this objective, an activity must be designed to address and ameliorate conditions that cause slums and blight. County policy further defines this federal guideline. According to the FY 06 Application packet, the County has designated several residential areas for community development assistance and 18 commercial areas as neighborhood business development districts.

An activity funded with CDBG money must also satisfy one of the following priority program areas:

- To provide a new or expanded level of an existing public service to populations with special needs, such as supportive services for the homeless, people with HIV/AIDs, the elderly, the abused, at-risk children, the mentally or physically disabled, or new immigrants;
- To eliminate conditions detrimental to health, safety, and public welfare;
- To stimulate economic growth, development, and employment opportunities that will primarily benefit low or moderate income people; or
- To support fair housing through education, counseling, legal assistance, and consumer protection programs.

The written program guidelines state that ineligible program activities include construction or routine maintenance/repair of government buildings or public facilities.<sup>4</sup>

**Eligibility Guidelines and Project Restrictions for the ESG Program.** Both the federal and County governments have eligibility guidelines for ESG funds. These regulations define eligible program activities and cap the amount of funding that can spent on each type of activity.

Federal limits on eligible program activities. Federal legislation regulates the types of program activities and expenditures ESG funds can be used for. Under ESG regulations, an activity must qualify under one of five broad categories of programs identified below:

*Renovation, Rehabilitation or Conversion.* ESG funds may be used to rehabilitate, renovate or convert existing buildings to increase the quality and quantity of emergency shelters and transitional housing.

*Essential Services.* ESG funds may be used for essential services to address the immediate needs of the homeless, to help homeless persons become more independent, and to secure permanent housing.

*Operational Costs.* ESG funds may be used for a broad array of emergency shelter and transitional housing operating costs, including maintenance, insurance, utilities and furnishings.

*Homeless Prevention Activities.* ESG funds may be used for financial assistance and supportive services to help prevent persons from becoming homeless. This includes, for example, one time payment of past due rent to prevent eviction or payment of utilities to avoid service disruption.

*Administrative Costs.* ESG funds may be used for eligible administrative costs such as, staff to operate the program, preparation of progress reports, audits, and monitory of recipients.<sup>5</sup>

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<sup>4</sup> As a result of President Bush's faith-based initiative, a faith based organization is eligible to apply for CDBG funding as long as it uses the funds for nonsecular activities.

Federal limits on funding eligible activities. Federal regulations establish limits on the amount of ESG funds available to fund eligible prevention services. Definitions of the funding limits for different eligible activities are provided in the section following the table.

**EXHIBIT 2. LIMITS ON USE OF EMERGENCY SHELTER GRANT FUNDS**

Category of Eligible Activity	Limitation/Restriction on Use
Renovation or Major Rehabilitation/ Conversion	Must continue shelter use for 3 years
	Must continue shelter use for 10 years
Essential Services	Can only use up to 30% of total ESG funding
Operational Costs	Can only use up to 10% of ESG funding
Homeless Prevention Activities	Can only use up to 30% of ESG funding
Administrative Costs	Can only use up to 5% of ESG funding

Source: HUD and OLO

The ESG program requires that federal funding be matched, dollar-for-dollar, with funds from other public or private sources. These matching funds may be in the form of cash, material or property, salary for program staff, or salary equivalency for a volunteer at the rate of \$5.00 per hour.

**County policies.** Because the requests for CDBG and ESG funding routinely exceed the amount of federal funds available, the County has adopted a set of local policies and program priorities to supplement the federal requirements. The key County policies are as follows:

- The maximum award amount is \$45,000.
- The maximum number of times an organization can receive an award for the same project is three.
- An organization must compete for funding every year. A grantee who receives funding in year one is not guaranteed funding in years two or three, and competes fresh each year with no priority for future funding.
- A grantee may use CDBG funds to lease capital equipment. It may not use funds to purchase capital equipment.
- A grantee cannot use CDBG funds to acquire land or construct, acquire, or rehabilitate buildings.

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<sup>5</sup> United States Department of Housing and Urban Development, [www.hud.gov/offers/cpd/homeless/library/csq/esqdeskguide/introduction.ctm](http://www.hud.gov/offers/cpd/homeless/library/csq/esqdeskguide/introduction.ctm)

The County will give funding priority to projects that are ready to proceed and that address the following local objectives:

- Have a high benefit to low and moderate income persons;
- Are located in defined community development areas;
- Require only one year of funding and present a detailed plan for permanent funding from other sources;
- Maximize the use of outside funds and services;
- Are clearly defined;
- Demonstrate the applicant's capacity;
- Coordinate with other community development efforts;
- Present a reasonable, sound budget; and
- Will be implemented by an organization with a solid track record.

The County may recapture funds that are not spent within a 12-month period.

**Process for soliciting CDBG and ESG applications.** DHCA solicits applications for CDBG and ESG on an ongoing basis and accepts applications each fall. To advertise the availability of CDBG and ESG funds, DHCA staff sends out notices to people who have been in the program, notifies staff in the Regional Services Center to advertise through their list serve groups, telephones groups who might be interested in applying, and sends notices to groups staff met with throughout the year. DHCA staff also conducts informal, "grassroots" outreach by speaking at community forums and meeting with existing community networks to reach potential applicants.

**The CDBG/ESG application form.** The application form for CDBG is part of a 40-page application packet that provides information and guidelines about the County's federal programs. The application asks for the amount of requested funding, the total project budget, and a brief project summary that addresses what the project is, why it is needed, where it will take place, and how the grant funds will be spent.

The application also asks the applicant to elaborate on the unmet community need that the project will address. The applicant must explain how s/he determined the need exists, and how the project will address the identified need. The applicant must also address how the project will foster self-sufficiency and what factors make the project unique or innovative. The applicant must specify where the project will be implemented and define the service area boundaries of the project. If the project will serve people who reside outside of the County, the applicant must identify the funds that will be used to serve these clients.

The application also asks the applicant to define the expected project goals and accomplishments as well as the performance measures the applicant will use to measure program outcomes. The application asks if the applicant is aware of other organizations that have attempted this project previously in Montgomery County.

The applicant must estimate the number of people who will benefit from the proposed project, including the number and percent of low and moderate income people. The applicant must describe how s/he will document that at least half of the people served have low or moderate incomes. The applicant also must estimate how many of the people who will be served are members of a special needs group or of a minority ethnic group.

The application also requests information about an organization's experience and capacity and staffing for the proposed project. In part, the applicant must report the number of existing fulltime and part time staff, including the number who will work on the project, the number of new staff who will be hired to work on the project, and address whether a consultant or contract staff will be hired to implement the project. The application also asks for the organization's current annual operating budget and its major sources of funding, and whether the applicant is applying for funding through other County agencies, such as DHHS or the Department of Recreation.

Another section of the application addresses how the proposed project aligns with the work of other organizations providing similar services. For example, the applicant must address how s/he intends to collaborate with other service providers, whether the proposed project is part of an ongoing program, whether the applicant expects to partner with any other organizations, and how the applicant intends to coordinate this project with other community services.

The applicant must also develop and submit a proposed action plan that consists of a project budget, a project schedule, and a list of key staff. The budget form asks for itemized personnel costs, including hours per week, and the hourly rate, and the contribution from other funds. It also asks for a detailed list of operating costs. The project schedule asks the applicant to predict the activities and results that will be undertaken each quarter and the amount of CDBG and other funds that will be spent each quarter.

The application asks for the names of the people who will carry out the project, their job responsibilities, and how long they have been with the organization. The applicant must attach resumes for key officers and staff people. The applicant must also address how s/he would modify the scope of the project if the County recommended funding for only part of the requested amount.

The last section asks the applicant to explain the proposed project funding. It asks the applicant to identify any funds the organization received for this project or any other project within the last five years, to specify the use of in-kind contributions or volunteers, and to explain how the applicant intends to continue the project when County funding is no longer available. If this is the applicant's second or third funding request, s/he must report the steps taken to secure other sources of funds, whether there have been any modifications in the scope of activities from the original proposal, and evaluate the success of the project so far. The applicant must also report the number of people served and information about the income level and race of these people.

**Application deadline and intake process for CDBG/ESG funds.** The deadline for CDBG/ESG applications usually falls in mid-September. For example, the deadline for funding requests for FY 06 was September 13, 2004. If DHCA receives an out-of-cycle application, staff advises the applicant about other grant programs, if those application periods are still open.

The applicant must submit one original and two copies of the application plus one copy of the required attachments to DHCA's office in Rockville. The application can be mailed or hand-delivered. DHCA reviews each application for completeness and eligibility and notifies each applicant in writing if an application is deemed ineligible for funding. DHCA returns incomplete applications to the applicants.

**Evaluation criteria and selection process for CDBG/ESG funds.** A committee of County residents reviews the applications and meets with eligible organizations to discuss their funding requests. The Community Development Advisory Committee has 15 volunteer members who are appointed by the County Executive to serve three-year terms. Vacancies on the committee are advertised in local newspapers and through direct staff outreach. DHCA staff meets with prospective committee members to answer questions, discusses any potential conflicts of interest or concerns, and explains the program and the review process. Members are chosen to ensure county-wide geographic representation and diversity. For example, an effort is made to identify and recruit a formerly homeless person for membership.

The committee begins meeting in October. It holds a public hearing in early October to receive input from groups and individuals about unmet community needs, and then spends approximately 10 weeks meeting with all the eligible applicants individually to discuss each proposal. On occasion, committee members have conducted site visits.

CDAC members evaluate applications in accordance with the program funding priorities. Numeric scoring sheets are not used. Members are given a target dollar amount of funding to recommend for distribution based on a DHCA staff estimate of the anticipated amount of federal funding that will be available. Recommendations are made based on the anticipated availability of funds; those proposals recommended for funding represent the committee's highest priorities. Decisions are made by consensus. DHCA staff reports that the most difficult part of the process for the volunteers is not having sufficient funds to recommend awards for all of the eligible, worthwhile proposals they review.

For FY 05, the committee received 59 applications, including 2 ineligible proposals. Thirty-nine applicants were recommended for funding based on the availability of funds. The County Executive makes the final award decisions. DHCA staff reports that the County Executive routinely awards funds to the applicants recommended by the committee.

**Award Practices for CDBG/ESG funds.** Staff in OMB coordinates the distribution of award notices after the Executive's Recommended budget is published. The organizations recommended for funding receive an award letter from the County Executive; those not recommended for a CDBG/ESG award receive a letter from the DHCA Director.

## **V. Discretionary Grants**

For the past several years, in addition to the competitive grant programs described in Chapter IV, the County Executive and County Council have used the Non-Competitive Award Designation List as a mechanism to appropriate money for discretionary grant awards.<sup>1</sup> This study defines a discretionary grant as a type of non-competitive contract award nominated by either the County Executive, as a Private Agency Request, or one or more Councilmembers.

The development of the Non-Competitive Award Designation List occurs within the broader context of the budget development process, which begins in September and ends in May. During this time, a non-profit organization can pursue three separate processes to be placed on the Designation List before the County Council adopts it as an attachment to the approved Operating Budget resolution.

- First, a non-profit can contact a staff person in the Department of Health and Human Services (DHHS) or the Department of Housing and Community Affairs (DHCA) with a service and funding proposal. If a department chooses to fund a non-profit provider as part of its recommended budget, it will fill out a form that names a provider as part of the budget submission process.
- Second, a non-profit can contact the County Executive and asked to be considered for a discretionary grant, also known as a Private Agency Request. If the County Executive selects a non-profit for a Private Agency Request, staff in the Office of Management and Budget (OMB) fills out a form that names a provider.
- Finally, a non-profit can contact one or more Councilmembers and asked to be considered for a County Council discretionary grant; if approved for funding the provider's name will be added to the Designation List before the Council adopts the approved budget resolution.

The County Executive designates his recipients for discretionary grant awards when he publishes his Recommended Operating Budget on March 15. The County Council selects its discretionary grant award recipients before it approves the Operating Budget in May. The recipients of discretionary grants reflect a mix of funding purposes. Many awards support direct service delivery. Some grants provide County funds for bond bill matches to leverage state or private funds. For example, the Approved FY 05 Designation List has bond bill matches for Takoma Park Community Center, Victory Youth Center, Community Services for Autistic Adults, and Children (CSACC), and Our House.

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<sup>1</sup> As described earlier, beginning on page 7, the Non-Competitive Award Designation List is an itemized list, published each year in the approved Operating Budget that names non-profit organizations for non-competitive service contracts with the County Government. The list in the Approved FY 05 Operating Budget has 177 awards for health and human service and community development activities that total \$27.0 million. (See Appendix 1 for a copy of approved FY 05 list.) As explained in Chapter VI, beginning on page 38, the Council's adoption of the Non-Competitive Award Designation List as part of the Operating Budget Resolution satisfies a legal requirement necessary to justify a non-competitive contract award, i.e., that a vendor be identified in a grant resolution approved by the Council. This action initiates a process to award a contract non-competitively to each vendor on the list.

Table 2 summarizes the number and amount of non-competitive awards to non-profits that provide health and human service and community development activities in the FY 05 Approved Budget. It shows:

- \$1.9 million for 19 Private Agency Request awards nominated by the County Executive;
- \$1.5 million for 36 discretionary grant awards recommended by the County Council;
- \$22.9 million for 113 non-competitive awards either nominated by DHHS staff or placed in the approved DHHS budget; and
- \$.8 million for nine non-competitive awards placed in the approved DHCA budget.

Table 2 draws a distinction for the FY 05 Approved Budget between discretionary grants, nominated by the County Executive or one or more Councilmembers, and “Non-Competitive Awards in the Approved DHHS or DHCA budget.” It shows the awards in this latter category total \$23.7 million (88%) of the \$27.0 million total. In practice, the awards in this category include a mix of non-competitive contracts awards initially nominated by DHHS or DHCA plus other awards initially nominated as discretionary grants that are subsequently nominated by department staff.<sup>2</sup>

**TABLE 2. APPROVED FY 05 DHHS AND DHCA NON-COMPETITIVE AWARDS ON THE DESIGNATION LIST BY GRANT NAME AND NOMINATING ENTITY**

Grant Name	# of Awards	Amount (000)	Percent of Total
Private Agency Request	19	1,858	7
County Council Grant	36	1,471	5
Non-Competitive Awards in Approved DHHS budget	113	22,899	85
Non-Competitive Awards in Approved DHCA budget	9	794	3
<b>TOTAL</b>	<b>177</b>	<b>\$27,022</b>	<b>100</b>

Source: OLO and FY 05 Approved Operating Budget

This chapter describes the County Executive’s practices for identifying Private Agency Request recipients. This chapter also reports on County Government staff efforts to coordinate competitive grants and Private Agency Requests and summarizes comparative information about competitive and discretionary grants. It is organized as follows:

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<sup>2</sup> Chapter VI, beginning on page 38, presents a more detailed review of the practices County Government staff follow to develop the Non-Competitive Award Designation List as part of the budget process, including the practices DHHS and DHCA staff follow to recommend organizations to be placed on the Non-Competitive Award Designation List. Chapter VII, beginning on page 53, provides more details about the services these non-competitive awards provide.

**Part A** describes the County Executive's practices for Private Agency Requests;<sup>3</sup>  
**Part B** discusses practices to coordinate competitive grants and Private Agency Requests;  
**Part C** compares FY 05 funding levels for competitive and discretionary grants; and  
**Part D** summarizes the administrative practices for competitive grants and Private Agency Requests.

**A. The County Executive's Practices for Private Agency Requests**

The County Executive establishes the parameters for soliciting and nominating recipients for Private Agency Request grants. The County Executive's process of nominating recipients generally occurs during the County Government's annual budget development process. As noted above, in FY 05, the County Council funded 19 awards for \$1.9 million. (See Appendix 11 for a list of the FY 05 Private Agency Request Awards.)

No formal written purpose statement exists for the County Executive's Private Agency Request grants. However, the Executive places funds for some Private Agency Request grants in the Community Grants Non-Departmental Account, which the FY 05 Recommended Operating Budget describes as intended to "leverage federal, state, and/or private funding or to improve the quality of life for County residents."

**Program Administration and Funding.** Staff in OMB and the Office of the County Executive share responsibilities related to the receipt and review of Private Agency Requests throughout the budget development process.

Staff in the Office of the County Executive receive and log all correspondence that contains specific funding requests. Executive staff directs funding requests to the appropriate County Government department/office for a response. Funding requests are also routinely routed to OMB so staff can maintain a list and track the status of all Private Agency Requests. In some cases, requests for funding are routed to a department to be considered as part of the department's own budget submission.

Within the parameters of the Executive's correspondence control system, there are no fixed criteria for deciding whether a request should be routed to OMB for consideration as a Private Agency Request, or to a department to be considered as part of the department's own budget submission. Staff in the Office of the County Executive observe that the process is designed to be flexible, so that requests can be handled in line with the budget priorities the Executive sets each year. In general, since the total funding target established for Private Agency Requests sent to OMB is limited, the Private Agency Requests tend to be reserved for smaller grants.

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<sup>3</sup> The County Council's practices are the subject of a separate review that is being conducted by the Council's Health and Human Services and Management and Fiscal Policy Committees. See Appendix 12 for a list of the County Council's FY 05 Discretionary Grants.

**Eligibility guidelines and project restrictions.** The procurement law that establishes the authority for a discretionary grant as a non-competitive contract award requires the Chief Administrative Officer to make a written determination that the funding “fulfills a public purpose.” Except for this broadly defined phrase, OMB states there are no written guidelines that define the types of non-profit organizations or the types of services that are eligible to receive funding as a Private Agency Request. A review of the list of approved FY 05 awards suggests many of the purposes are similar to the awards granted through the County’s competitive grant programs.

**Process for soliciting applications.** No central entry point exists for Private Agency Requests. In practice, organizations contact staff in the Office of the County Executive, OMB, or individual departments. Some requests are made initially to the County Executive; others arrive after a department has decided not to recommend funding for a particular request in the department’s proposed budget. Some organizations’ representatives meet directly with the County Executive or a staff member to discuss their funding needs. Other funding requests are identified when the County Executive or a staff member attends an event in the community.

An OMB analyst serves as the point person for tracking the requests. OMB keeps a master list of the requests and cross-checks the requests included in one department budget against either requests in other department’s budgets or requests registered with the County Executive to eliminate duplication. If an organization seeking funds is eligible for money through a competitive grant program, OMB provides information about the existing grant program(s) and deadline(s), mails a grants brochure, or directs the organization to the appropriate websites.

**Application form.** No application form exists for Private Agency Requests. When an organization calls to make a request, Executive Branch staff generally ask the organization to send a letter of inquiry that explains: the need to be addressed; the program purpose; and the amount of County funding requested. Staff in the Office of the County Executive state that flexibility is key because of the unique characteristics of each request. Staff report that the same level of information is not required for a second or third year of funding because an organization has a track record after having received funding.

The information that organizations submit to accompany a letter of request varies. Some organizations submit notebooks with extensive documentation. Others provide brochures, financial audits, and/or annual reports, similar to the information they would submit if they were working with donor organizations. In some cases, an organization submits a brief letter of inquiry and OMB staff follow-up to clarify needed information, i.e., services to be provided or amount of funding needed.

**Application deadline and intake process.** Organizations contact departments, OMB, and County Executive staff for private agency request funding throughout the year. According to Executive staff, organizations contact the County Government as early as April of the previous year and as late as the first week of March.

**Evaluation criteria and selection process.** Staff in the Office of the County Executive report that the Private Agency Requests are reviewed in a manner comparable to other items on department budget competition lists. Staff discuss the nature of the request and what is known about the organization, and forward this information to the County Executive. Executive staff will contact staff in the appropriate departments to collect information to assess a request for funding. Executive staff also report that sometimes the County's Executive's Private Agency Requests are taken up as part of the budget deliberations for a department.

The County Executive makes decisions on his recommendations for Private Agency Request grants as he finalizes his overall budget decisions. After the County Executive makes his selections, OMB staff complete a one-page justification form that is required for each organization to be designated in the Non-Competitive Award Designation List.<sup>4</sup> The Executive's recommendations for Private Agency Request grants are incorporated into the Recommended Operating Budget, which is transmitted to the County Council on March 15. OMB staff send notification letters to all applicants on March 15 when the budget is released.

**Award Practices.** After the Council makes final budget decisions on the County Government's annual operating budget, department staff and the organizations approved for Private Agency Request grants enter into negotiations to draft and execute service contracts. Staff work with the applicants to help them meet the County's standard contracting requirements; the goal is to finalize and execute all service contracts by the beginning of the next fiscal year (July 1).

## **B. Practices to Coordinate Competitive Grants and Private Agency Requests**

The existence of discretionary grants, plus four programs that award competitive grants, creates a need for coordination. Over the years, County Government staff have addressed this need for coordination in different ways. For example, in response to a Council request, OMB developed a brochure describing the Community Service Grants, the Community Empowerment Grants, and the Community Development Block Grants.<sup>5</sup> (Appendix 2 contains a copy of this brochure.)

Each year, program staff in DHCA, DHHS, OMB and staff in the County Executive's office work to match applicants that request funds with the most suitable award program(s), based on the different eligibility and award guidelines. For example, an organization that receives a CDBG award may also receive a Community Service Grant for a capital equipment purchase, which is not an allowable CDBG expense.

## **C. Funding Levels for Competitive and Discretionary Grants**

Table 3, on the following page, shows the County appropriated \$4.3 million for competitive and discretionary grants in FY 05. The data show that in FY 05 the discretionary grants accounted for \$3.3 million or 77% of the total amount; and the

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<sup>4</sup> See Chapter VI, page 38 for a more detailed discussion of this process and Appendix 15 for a copy of the form.

<sup>5</sup> The brochure also describes Cultural Facility Improvement Grants; however they are not in the scope of this study.

competitive grant programs (Community Service Grants, Community Empowerment Grants, Community Development Block Grants, Emergency Shelter Grants) accounted for \$1 million or 23% of the total amount appropriated.

**TABLE 3. FUNDING APPROPRIATED IN THE FY 05 APPROVED  
OPERATING BUDGET FOR COMPETITIVE AND DISCRETIONARY GRANTS**

Category	Grant Name	# of Awards	FY 05 Amount (000s)	% of funds
Competitive Grant Programs	Community Service Grants	9	140	3
	Community Empowerment Grants	2	29	1
	Community Development Block Grants	29	733	17
	Emergency Shelter Grants	4	97	2
<b>Subtotal for Competitive Grants</b>		<b>44</b>	<b>\$999</b>	<b>23</b>
Discretionary Grants	Private Agency Request grant	19	1,858	43
	County Council grant	36	1,471	34
<b>Subtotal for Discretionary Grants</b>		<b>55</b>	<b>\$3,329</b>	<b>77</b>
<b>Grant Total</b>		<b>99</b>	<b>\$4,320</b>	<b>100%</b>

Source: OLO and FY 05 Approved Operating Budget

**Funding Relationships.** Each year, an OMB analyst prepares an itemized list of applicants for each of the competitive grant programs and the Executive's Private Agency Request grants. An analysis of this report and information about the Council's discretionary grants for FY 05 shows that out of a total of 69 recipients:

- 51 (74%) received awards through a single program;
- 13 (19%) received awards from two programs, and
- Five (7%) received awards from three programs.

DHCA and Council staff also identified cases where an organization that was no longer eligible to apply for CDBG funds (because of the County's policy to provide funding for a maximum of three years) subsequently received funding through a Private Agency Request grant. (See Appendix 13 for a chart of the competitive and discretionary award recipients by type of grant.)

**D. A Comparison of Competitive Grant and Private Agency Request Practices**

Exhibit 3 on page 37 compares administrative practices for the competitive grant programs and the County Executive's Private Agency Request grants.

**EXHIBIT 3. COMPETITIVE GRANT PROGRAMS AND COUNTY EXECUTIVE'S PRIVATE  
AGENCY REQUEST GRANTS ADMINISTRATIVE PRACTICES**

Feature	Competitive Grants			Discretionary Grants
	Community Service Grants	Community Empowerment Grants	Community Development Block Grants/Emergency Shelter Grants	County Executive Private Agency Requests
<b>Administration</b>	DHHS	DHCA	DHCA	Office of the County Executive and OMB
<b>Source of funds</b>	County	County	Federal	County
<b>Maximum award</b>	\$20,000	\$25,000	\$45,000	Not specified
<b>Purpose stated in program documents</b>	Assist non-profits that provide health and human service activities with one-time capital purchases.	Assist small non-profits in minority communities with activities to increase pride, community, participation, and self sufficiency.	Assist public and non-profits that provide community development activities which benefit low and moderate income people.	Not formally specified, although some are funded through the Community Grants NDA which is intended to "leverage federal, state, and/or private funding or to improve the quality of life for County residents.
<b>Advertising and solicitation methods</b>	Direct mail to DHHS database and newspaper advertising	Direct mail to DHCA database of contacts. Post Information on DHCA website.	Community meetings. Use Regional Service Centers' list serves. Send notices to current participants.	No formal advertising is done.
<b>Written application form</b>	Yes	Yes	Yes	None. Applications are accepted in the form of a letter requesting funding.
<b>Intake</b>	One point of entry with established application deadline	One point of entry with established Application deadline	One point of entry with established application deadline	Requests accepted either by the Office of the CE or individual County department/office.
<b>Review and selection process</b>	Criteria based selection process with citizen and staff review board.	Criteria based selection process with County staff.	Criteria based selection process with County Executive appointed citizen review board.	Coordinated with budget development and decision process.
<b>Award Instrument</b>	Direct Purchase Order	Contract	Contract	Contract

Source: OLO, February 2005.

## **VI. LEGAL REQUIREMENTS AND COUNTY GOVERNMENT PRACTICES FOR THE NON-COMPETITIVE AWARD DESIGNATION LIST**

Each year, as part of the County Government Operating Budget Resolution, the County Council approves a list titled "The Designation of Entities for Non-Competitive Contract Award Status." This Designation List authorizes a department to execute a non-competitive contract with each entity named on the list. There are three ways to be recommended for placement on this list before the Council approves the Operating Budget Resolution:

- The County Executive can recommend an entity for a Private Agency Request;
- One or more Councilmembers can recommend an entity for placement as part of the Council's grant process; or
- A department can recommend an entity for the Designation List as part of the department's budget development process.

This chapter provides an overview of the legal authority for non-competitive contract awards and describes the practices that department staff and OMB staff follow to nominate entities to the list during the budget development process.<sup>1</sup> This chapter is organized as follows:

- **Part A** presents the governing framework for the County's procurement system;
- **Part B** reviews the requirements in law and regulation for non-competitive procurements and non-competitive contract awards;
- **Part C** describes County Government practices to develop the Non-Competitive Award Designation List during the budget process;
- **Part D** presents the results of a review of DHHS and DHCA budget forms; and
- **Part E** reports on the implementation of policy changes established in 2000.

### **A. The Governance Framework for the County Procurement System**

In 2004, the County Government purchased \$543 million in goods and services, including \$319 million through competitive procurements, \$15 million for sole source purchases and \$34 million for non-competitive awards authorized through adoption of the Non-Competitive Award Designation List. The County Charter, the County Code, and the County Procurement Regulations establish the governing framework for all County purchasing actions. (See Appendix 14 for a copy of the laws and regulations summarized below.)

**County Charter.** The Montgomery County Charter, which is effectively the County's constitution that was adopted by County voters, provides for the framework, organization, and structure of County Government. Section 313, "Purchasing," and Section 314, "Competitive Procurement," provide for the establishment of a

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<sup>1</sup> Chapter V, beginning on page 31, described the County Executive's Private Agency Request practices. The County Council's nominating practices are currently being reviewed as part of a separate study.

professionally administered, centralized purchasing system that uses competitive procurement methods to purchase and contract for goods and services. Specifically, the County Charter:

- Instructs the County Council to “prescribe by law a centralized system of purchasing and contracting for all goods and services used by the County;”<sup>2</sup>
- Directs that “the centralized purchasing system shall be administered under the professional supervision of the Chief Administrative Officer subject to the direction of the County Executive;”<sup>3</sup> and
- Requires the Council to “prescribe by law for competitive procurement for purchases by or contracts with the County in excess of an amount or amounts established by law.”<sup>4</sup>

**County Procurement Law.** To implement the Charter’s mandates, the County Council adopted a comprehensive Procurement Law, at Chapter 11B of the County Code. This law establishes the authority and responsibilities for a purchasing system for goods and services and authorizes the County Executive to adopt regulations to implement the law.

Authority, Roles, and Responsibilities. The Procurement law (Chapter 11B) establishes the authority and responsibilities for the purchasing system in Article II, “Organization.” This Article gives the Chief Administrative Officer broad authority and responsibility for both for the procurement of goods and services as well as the authority to administer the procurement system (Section 11B-5, “Chief Administrative Officer”). It also designates the Director of Procurement as the County’s central procurement officer (Section 11B-6, “Director, Office of Procurement”) and authorizes the establishment of a Contract Review Committee (Section 11B-7, “Contract Review Committee”).

Source Selection Methods. Article III of Chapter 11B, “Methods of Source Selection,” establishes the methods and requirements for several types of source selection, such as competitive sealed proposals (Sections 11B-9 and 11B-10, “Formal Solicitation-Competitive Sealed Bidding,” and “Formal Solicitation- Competitive Sealed Proposals,” respectively), informal solicitations (Section 11B-13, “Informal Solicitation”), and non-competitive contract awards (Section 11B-14, “Non-Competitive Contract Award”).

**County Procurement Regulations.** The Procurement Regulations implement the Procurement law. The Regulations specify the duties and responsibilities of the Chief Administrative Officer, the Director of Procurement, and the Using Department (i.e., the department making a purchase) in more detail. They establish the authority and define the duties of the Contract Review Committee. The Regulations also define the conditions that must be met for competitive and non-competitive procurements and non-competitive contract awards.

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<sup>2</sup> Charter of Montgomery County Maryland, Section 313, Purchasing.

<sup>3</sup> Charter of Montgomery County Maryland, Section 313, Purchasing

<sup>4</sup> Charter of Montgomery County Maryland, Section 314, Competitive Procurement

**B. Requirements in Law and Regulation for a Non-Competitive Contract Award through the Non-Competitive Award Designation List**

**1. County Law Requirements**

County law (Section 11B-14, "Non-competitive contract award") provides for a non-competitive contract award.<sup>5</sup> The law permits a non-competitive contract award if the Chief Administrative Officer determines in writing that the contract award "serves a public purpose," and meets at least one of the following four circumstances:

- "(1) there is only one source for the required goods, service or construction which can meet the minimum valid needs of the County, including timeliness of performance; (i.e. a sole source award)
- (2) the contract is in connection with potential or pending litigation, condemnation or collective bargaining;
- (3) a proposed contractor or subcontractor has been specifically identified in a grant accepted by the County; or
- (4) a proposed contractor has been identified in a grant or appropriation resolution approved by the Council."

Procurement law and Regulations establish specific conditions and requirements that must be met before a contract may be awarded non-competitively, including those contracts resulting from a grant where the Non-Competitive Award Designation List is used. And they provide an additional requirement for sole source contracts valued over \$25,000, as noted below.

- For sole source contracts under \$25,000 (as well as those valued above \$25,000) and all other bases for non-competitive procurements (i.e. a contract in connection with litigation, condemnation, or collective bargaining; a proposed contractor or subcontractor identified in a grant accepted by the County; or a proposed contractor identified in a grant or appropriation resolution approved by the Council), the law requires the Chief Administrative Officer to "make a written determination that the contract serves a public purpose" (Section 11B-14(a)).
- For sole source contracts valued over \$25,000, the law not only requires the Chief Administrative Officer to "make a written determination that the contract serves a public purpose," but also states the additional requirement that the award "must not be made without the approval of the Chief Administrative Officer." (Section 11B-14(b)).

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<sup>5</sup> County law (11B-14) and Regulations (4.1.12) describe, but do not separately define "non-competitive procurement" and "non-competitive contract award;" however, Regulations do define "noncompetitive procurement" ("the acquisition by contract of a valid County requirement without prior notice or competition" (Section 4.1.12, "Non-Competitive Procurements".)) and "award" ("the delivery of a fully executed contract to an offeror" (Section 2.4.6, "Definitions")).

## **2. Regulations related to Non-Competitive Procurements, Non-Competitive Contact Awards, and Grants**

Several regulations apply to awards made through the Non-Competitive Award Designation List, as noted below.

- The regulations authorize the Director of Procurement to make a non-competitive contract award for an entity named in the Non-Competitive Designation List. Section 4.1.12.2, "Non-Competitive Procurements- Authority," authorizes the Director of Procurement to "make a non-competitive award unless the non-competitive award is based on a sole source justification and the estimated value of the award is above \$25,000" (the IFB/RFP threshold amount). Section 15.5.1.1 expressly places the responsibility on the Contract Review Committee to approve a sole source procurement valued above that amount.
- The regulations further define the circumstances that justify a non-competitive award. Section 4.1.12.3, "Non-Competitive Procurements –Use," states "a non-competitive procurement may be made if the non-competitive award serves a public purpose and one or more of the following factors exist." The factors for a non-competitive procurement parallel the circumstances defined in County law, at Section 11B-14 (a), as noted above. The regulations also define six factors that may be used as "the basis for identifying a sole source." (Section 14.1.12.3(a)(1)-(6)).
- The regulations establish minimum documentation requirements for a non-competitive procurement. Under Section 4.1.12.4, "Contents," "the minimum documentation for a non-competitive procurement consists of a contract which includes specifications reflecting the minimum valid needs of the County" and "a memorandum from the Using Department to the Director of Procurement which contains a full explanation and justification for a non-competitive procurement."
- The regulations require the Director of Procurement to determine that the prices the County will pay are fair and reasonable. Section 10.1, "Fair and Reasonable Price Determination," states that "before executing a contract or contract modification, the Director (of Procurement) must make a final determination that prices to be paid by the County are fair and reasonable" and gives the Director of Procurement the authority "to require that contract cost or pricing principles be followed by Using Departments."

The regulations establish an alternative certification procedure that Using Departments can follow that exempts entities on the Non-Competitive Award Designation List from the requirement for a fair and reasonable price determination. Section 10.3.5.4 exempts "a non-competitive contract award under a resolution or appropriation approved by the County Council" from the requirement for a "Certified Cost or Pricing Data" determination under Section 10.3, if a Using Department follows an alternative certification method established in Regulation 17.3.2. (See Section 17.3.2 on page 42.)

- The regulations provide that: for entities on the Non-Competitive Award Designation List, based on a recommendation from a Using Department, the Director of Procurement may determine that a contract serves a public purpose and enter into a contract. Section 17.1, “Grants, General Authority,” gives the Director of Procurement, “upon a recommendation from the Using Department,” the authority to enter a non-competitive contract “if the person was named or designated in: . . . a grant accepted by the County; or . . . a resolution or appropriation approved by the County Council;” and Section 17.2, Grants, “Authority of the Director,” authorizes that “the Director, upon a recommendation from a Using Department, may determine that the contract serves a public purpose and enter into a contract.”
- Section 17.3, “Other requirements,” addresses the contract’s form and legality, and specifies the conditions for a Using Department certification.
  - Section 17.3.1 requires non-competitive award contracts “to meet all the requirements specified by the County Attorney and the Director.” The contracts must be in a form approved by the County Attorney and include specifications or conditions of performance, a payment schedule, and other mandatory provisions.
  - Section 17.3.2 requires “a Using Department, prior to County Council approval of a grant award, to certify to the County Council, the Office of Management and Budget, and the Director that:
    - 17.3.2.1 the proposed grantee would qualify as a responsible offeror under Section 6.3;
    - 17.3.2.2 the grant amount is fair and reasonable after making a price analysis required under Section 10.1.1; and
    - 17.3.2.3 the services, goods, and construction funded by the grant award are in the public interest.”

### **C. Practices to Develop the Non-Competitive Award Designation List**

Several County departments plus the Office of Management and Budget share responsibility for developing the Non-Competitive Award Designation List as part of the budget process. This section of the report describes the practices surrounding the Non-Competitive Award Designation List, based on OLO and Council staff’s interviews with staff in DHHS, DHCA, OMB, and the Office of Procurement.

#### **1. OMB’s Budget Submission Guidelines and Award List Form**

The Office of Management and Budget (OMB) has lead responsibility for assembling, reviewing, and packaging a draft Non-Competitive Award Designation List, which reflects the County Executive’s Recommended budget. In this role, OMB has published written guidelines in the Budget Preparation Manual that address the Designation List and developed a form to collect information for each of the proposed non-competitive contract awards.

**OMB's Budget Manual Guidelines.** Section 13 of OMB's Budget Preparation Manual, titled "Designation of Entities for Non-Competitive Contract Award Status (Grantee List)," provides step by step instructions for a department to designate an entity for

Non-competitive contract award status. The instructions remind departments that the non-competitive award list is not meant to be a vehicle to circumvent the competitive bid process. Specifically, the instructions state:

Departments must exercise caution in the use of this process. Its purpose is not to circumvent the competitive bid process, but rather, to serve a public purpose in those unique situations where it is necessary to award a contract on a noncompetitive basis.

OMB emphasizes that if an entity is a sole source contractor or is specifically identified in a grant, it would qualify for non-competitive status through another provision in the law and need not be included in the department's request. (See Section 11B-14 on page 43.) OMB's instructions do not provide a detailed explanation of the relationships among the different non-competitive award options; however, the emphasis in the instructions suggests that a department should not pursue a recommendation for the non-competitive award resolution as a vehicle to circumvent other non-competitive processes.

**OMB's Award List Form** To recommend an entity for the Designation List, OMB requires department staff to complete a form for each entity. The department includes these completed forms as part of its budget submission package. The form requires department staff to: provide the name of the entity, describe the proposed services, and identify the requested budget amount. The form also asks for the last date the contract was bid competitively, and why the department believes the entity merits a non-competitive status designation.

The form is posted on the intranet site and published in the Budget Manual. In addition, a few years ago, OMB developed an access database so that DHHS could compile and manage its forms electronically since DHHS has the most entities on the noncompetitive award list. At the beginning of each budget season, OMB provides DHHS with an electronic copy of last year's forms in an access database so that DHHS staff can update the forms online.<sup>6</sup>

## **2. DHHS and DHCA Nomination Practices**

As part of their budget development process, program managers and budget staff in DHHS and DHCA must identify entities for which they will request non-competitive status in the coming budget year. In interviews with OLO/Council staff, DHHS service

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<sup>6</sup> The OMB instructions include a sample form that illustrates how the form should be completed. This sample is reproduced in Appendix 15.

chiefs and program managers report that the entities they recommend for non-competitive designation generally include organizations already in the approved budget, plus new entities that the County Executive, the County Council, or DHHS staff identify.

DHHS program and budget managers state that, in general, they automatically recommend entities currently approved for non-competitive award status for designation in subsequent years. Staff observes that designating an entity for a non-competitive award through the annual budget process is much easier than attempting a sole source procurement. In some cases, this observation is based on direct experience; in other cases, it is based on perception. Other observations OLO and Council staff heard about the Designation List included the following:

- It is the easiest path through the County's procurement process;
- It is often the quickest way to implement service dollars through a known and respected provider agency;
- It allows staff to extend a contract beyond the usual three year term (one year plus two one-year extensions); and
- It keeps a relationship with a known provider instead of having to face a new, unknown vendor a bid process might produce.

DHHS program managers stated that it was rare not to automatically recommend a provider for designation the following year. The exceptions to this included the following circumstances:

- Within the last five years, the Chief of Crisis, Income, and Victims Services undertook a deliberate review of the non-competitive awards in that service area and put a number of contracts out for a competitive bid.
- Two or three years ago, when fiscal constraints required managers to make significant across-the board cuts to departmental programs, DHHS decided not to recommend some entities for renewal, selecting those entities that did not provide direct services.
- In a handful of cases, DHHS removed an entity because staff did not believe the services the entity provided were aligned with the department's core mission. If the County Executive or County Council subsequently reinstated the entity, DHHS staff reported it was less likely staff would remove it again the following year.

Program managers forward their justifications for recommended non-competitive awards in their program areas to DHHS service chiefs. Service chiefs have final approval authority for nominating entities for non-competitive status in their service area. Service chiefs and the DHHS management team review the recommended non-competitive contracts and justifications as part of the larger budget development and review process.

In practice, service chiefs and program managers have the responsibility for putting services out to bid periodically to test whether market conditions have changed. There are no department policies or practices in place and the pattern of service contracts put out for competitive bid varies among service areas.

The DHHS Director, Chief Operating Officer, and Chief Financial Officer indicated they would like to compete many of the services in the non-competitive award resolution. They also said the department is developing a strategy to move toward performance based contracting, a system that ties contract extensions to achieving specified service outcomes. As of January 2005, no department-wide strategies or guidelines exist to accomplish a consistent and systematic review of entities named in the non-competitive award resolution.

### **3. The DHHS Contract Management Team Practices**

DHHS has a centralized contract management team that is responsible for contract execution. For contracts designated in the non-competitive award resolution, the contract team receives the justifications from the service areas and compiles them into the department's full list of requests for OMB. This list includes a vendor number, a service description, and the dollar amount recommended for funding.

Historically, this team serves as a conduit for the non-competitive awards and not a review body. It packages the requests from the service areas and tracks the records for future reference if the awards are approved in the budget process. If an OMB analyst has a substantive question about an award following the receipt of the department list, the contract team forwards these questions to the relevant service area chief or program manager.

### **4. OMB's Practices to Review Department Nominations**

OMB assigns a budget analyst to manage the overall process for designating entities for non-competitive award status, which includes reviewing the forms that each department submits. A few years ago, the budget analyst conducted a thorough, independent review of the list and removed several items. Since then, as the departments submit their budgets, the OMB budget analyst examines the submission to identify new requests and verify that the request for non-competitive award status is warranted.

### **5. County Executive's Recommended Budget Presentation Practices**

For FY 05 and previous years, the County Executive's recommended budget did not provide a central listing of vendor names and estimated award amounts for the entities that the CAO recommended the Council designate for noncompetitive status. Instead, this information was provided in program descriptions found throughout the recommended budget, with a varying amount of detail. Some program descriptions identified a potential non-competitive contract award by name while others described the services to be provided without naming the entity. Historically, OMB submitted the final

recommended list for adoption in Resolution G, "Designation of Entities for Non-Competitive Award Status," immediately prior to Council adoption.

Last summer, when Council and the OMB Director discussed changes for the FY 06 budget presentation, the Council requested that OMB include one list of entities proposed for non-competitive awards in FY 06 in the recommended budget. Like the rest of the recommended budget, this list may change prior to its adoption with the budget resolution, based on Council budget decisions or technical corrections.

## **6. Practices to Appropriate Funds for Awards on the Non-Competitive Award Designation List – The Non-Departmental Account for Community Grants**

The Approved Operating Budget that OMB publishes each summer not only lists vendors eligible for non-competitive contract awards but also appropriates funds for the contracts. These funds are appropriated either to the DHHS or DHCA departmental budget or to a non-departmental account. The practices associated with the Community Grants Non-Departmental Account to fund competitive and non-competitive contract awards have changed from year to year.

Beginning in FY 01, the County Executive recommended a Non-Departmental Account (NDA) for Community Grants. In FY 01, this NDA included funding for only the Community Empowerment Grants; however, between FY 02 and FY 05, the NDA included a higher level of community grant support.

Beginning in FY 02, the stated intent of the NDA was to reflect all one-time-only grant support in one visible location, and to budget award funds for ongoing programs or services in the relevant service department's budget. A secondary intent of budgeting funds for one-time grants in the NDA was to protect a department budget from the fluctuation created by continual increases or decreases in one-time grants, compared to the department's overall budget for core service activities. Importantly, OMB did not count funds for each department's community grants which were budgeted in the NDA when it established a department's overall budget mark or calculated a reduction target.

Because the NDA was designated for one-time-only grant support, the funds budgeted in the NDA were not renewed automatically in subsequent years. There was some fluctuation and confusion between FY 02 and FY 04 because officials were reluctant to stop funding one-time-only grants after one year and practices for appropriating funds in the NDA or the department budget were inconsistent. Some grants were discontinued in the NDA because they were one-time-only grants. Some grants continued to be appropriated, but in a department budget, whereas others were continued in the NDA. Some moved back and forth between the NDA and the department budget, and others were inadvertently left out of the budget and reinstated by the Council.

Between FY 02 and FY 04, OMB, department, and Council staff worked to resolve these problems. In practice, however, each iteration of the NDA budget practices alleviated some problems and created other unforeseen ones.

In FY 05, OMB and Council staff made a concerted effort for the County Executive and County Council to designate an award as either a one-time-only grant or a grant for ongoing services. If the award was intended to be a one-time only grant, OMB budgeted it in the NDA; if it was intended to be ongoing, OMB put it in the department's budget.

In interviews with DHHS and DHCA staff, OLO and Council staff heard from department staff that this approach solved some problems and created others. While the FY 05 process clarified the policy intent of the funders, it again put the service departments in the position of monitoring and accounting for funds that are not always aligned with their core mission. It also does not allow for the clear tracking of grant awards that the NDA intended. Since a department's budget submission highlights changes only, some awards could be continued indefinitely in a department's base budget without a review.

## **7. DHHS and DHCA Contracting Practices**

After the County Council approves the budget, including the non-competitive award list, department staff must develop, negotiate, and execute a service delivery contract with those entities funded in their respective program budgets.

In DHHS, the budget specialist and program managers in each service area develop the scope of services to be carried out, and the contract team manages the remaining contract execution responsibilities.

In DHHS, the service area program managers submit a Contract Action Worksheet (CAW) to the contract team to initiate the contract execution process. The program manager describes the scope of services and attaches a copy of the Non-Competitive Award Resolution to document the designated funding source. The contract management team works with the Office of Procurement to execute the contract.

In DHCA, staff in the Federal Program Section manage these contracts. As part of these responsibilities, DHCA has developed a form and a process to comply with Section 17.3.2 of the Procurement regulations.<sup>7</sup> Previously, the Procurement regulations required that the Office of Procurement conduct a cost and price analysis. Because Procurement did not typically have sufficient information to conduct this analysis, it frequently waived the requirement. The new provision places this responsibility with the Using Departments, because presumably they have more detailed information on the goods and services in the contract. (See Appendix 16 for a copy of DHCA's form.)

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<sup>7</sup> This section requires a Using Department, prior to County Council approval of a grant award, to certify "to the County Council, the Office of Management and Budget, and the Director that: the proposed grantee would qualify as a responsible offeror under Section 6.3; the grant amount is fair and reasonable after making a price analysis required under Section 10.1.1; and the services, goods, and construction funded by the grant award are in the public interest."

Staff in both DHHS and DHCA identified many recurring issues associated with this process:

- In some cases an entity expecting a “grant” from the County is surprised to learn that it has to enter into a service contract instead of simply receiving a County check.
- Entities that enter into contracts with the County must satisfy the general terms and conditions that the County requires of all contractors, such as insurance coverage. Staff report that some entities have trouble obtaining insurance coverage; in other cases, the cost of insurance is more than the amount of the County grant.
- Staff also report cases where it was difficult to write the scope of services for the contract because the services the entity was expected to provide were not clearly defined.
- In other cases, issues arose when the proposed services duplicated or overlapped with existing services that the department delivered.
- Staff also report that it is difficult to complete a cost price analysis, a requirement that became effective recently, when the prices are set non-competitively.

## **8. The Office of Procurement Practices**

Staff in the Office of Procurement, working with department staff, execute the service contract for the entities on the Non-Competitive Award Designation List. In contrast to a competitive procurement, such as a formal request for proposal, the role of procurement staff is much more limited. For a formal source selection process, involving a request for proposal, procurement staff review the scope of services, manage the advertising and solicitation, review the results of the department’s selection process, and work with department staff, the County Attorney’s Office, and Finance to execute the contract. For a non-competitive award identified in a grant resolution approved by the Council, procurement works with department staff, the County Attorney’s Office, and Finance to execute the contract.

The Director of the Office of Procurement reports that the previous Director of OMB would ask her to review the adopted Non-Competitive Award Designation List at the beginning of each budget season, and ask her to remove any competitive contracts present on the List. The Director of Procurement states that the size of the list shrank substantially after her initial review.

### **D. Results of a Review of DHHS’ and DHCA’s Budget Forms**

OLO and Council staff asked DHHS and DHCA to provide copies of the forms they completed as part of the budget process for the awards on the FY 05 Non-Competitive Award Designation List. OLO and Council staff used these forms to develop a better

understanding of the history and details associated with each award and to assess documentation practices associated with the Non-Competitive Award Designation List.

OLO and Council staff reviewed a sample of 129 forms for the 177 DHHS and DHCA Awards on the FY 05 Non-Competitive Award Designation List. This sample included 116 forms for the 159 awards in the DHHS budget and 13 forms for the 19 awards in the DHCA budget.<sup>8</sup>

This section presents information about the number of awards that had been competitively bid, the consistency of terminology, the patterns of stated justifications, and the possible overlap between some justifications and other procurement designations. Additional discussion of the review of budget forms can be found in Chapter VII.

**Number of Awards Competitively Bid.** OLO and Council staff searched the forms for information about whether the contracts had ever been competitively bid. Table 4 below summarizes the results of this search. It shows four of the awards were new contracts. Of the remaining 125 awards, five had been previously bid; 39 had never been bid; and 81 reported "N/A" or "no response." As the table shows, the forms did not always include a response in this field or the responses did not use consistent terminology. In addition, some forms did not contain the field; these are included in the "no response" category.

**TABLE 4. SUMMARY DATA ABOUT COMPETITIVE BID STATUS FOR 129 DHHS AND DHCA AWARDS ON THE FY 05 NON-COMPETITIVE AWARD DESIGNATION LIST**

<b>Response Category</b>	<b># of Forms</b>	<b>% of All Forms</b>
New contracts	4	3
Previously bid	5	4
Never	39	30
N/A	26	26
No response	55	43
Total	129	100%

Source: OLO and OMB, DHHS and DHCA budget award forms.

**Patterns of Stated Justifications for Non-Competitive Award Status.** OLO and Council staff conducted a key word search of the forms designed to illuminate patterns of stated justifications for non-competitive award status. Staff searched for the most prevalent keyword phrases used in the justifications to support non-competitive status; these phrases were also used by department staff in interviews with OLO and Council staff. Table 5 presents the seven key word categories and the distribution of the justifications among the 129 forms. There were 22 forms that had justifications in two categories. The data in Table 5 shows the pattern and distributions for 152 incidents of the key words. (See Chapter VII for more details about these categories and the relationships among them.)

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<sup>8</sup> There were 48 awards that did not have a form (41) or had incomplete information (7); 32 of the 41 awards that did not have a form were Council discretionary grants which do not use a form.

**TABLE 5. PATTERNS OF JUSTIFICATION FOR 129 DHHS AND DHCA  
AWARDS ON THE FY 05 NON-COMPETITIVE AWARD DESIGNATION LIST**

Key Word Categories	DHHS Incidents	DHCA Incidents	Total Incidents
Named in Grant	9	5	14
Vulnerable Population	9	0	9
Only Provider	29	2	31
Uniquely Qualified or Unique Provider	15	10	25
Unique Model or Specialized Service	15	0	15
Contribute/Leverage	13	0	13
Other/Not Specified	44	1	45
Total Incidents of Key Words	134	18	152

Source: OLO and OMB, DHHS and DHCA budget award forms.

**Possible overlap between justifications and other procurement designations.** OMB's instructions in the Budget Manual state that if an entity is named in a grant or considered to be a sole source provider, a manager should not recommend it for designation for a non-competitive award through the Council resolution process. Instead, the decision to award a non-competitive contract should follow the procedures for either a sole source award or an award for an entity named in a grant. Council and OLO staff's review of the documentation identified 45 cases of overlap:

- 14 forms stated that designation for a non-competitive award was justified because the entity was named in a grant. If an entity is named in a grant from an outside funding source, that entity may be eligible for a non-competitive procurement under Section 11B-14(3) of County procurement law, instead of through the Designation List.
- 31 forms stated that designation for a non-competitive award was justified because the provider was the "only" provider of a given service; three of these were for awards under \$25,000.

These numbers may not represent all of the cases where an overlap among the justifications for non-competitive awards exists. In Council and OLO staff interviews with DHHS, staff identified other entities that were eligible for non-competitive status because an outside grantor designated them for that service.

**E. Status Report on Policy Changes Established in Council Resolution 14-490 and Other Practices**

In 2000, Council Resolution 14-490 removed grants awarded under the CDBG, CSG and CEG programs because these awards were not non-competitive. At that time, the CAO also suggested undertaking a pilot program to post the Non-Competitive Award Designation List online as a way to test the market in an ongoing fashion. This section provides an update on the results of the pilot program and examines whether there are additional entities on the FY 05 list that could be removed under the Council's not noncompetitive policy.

**1. Pilot Program to Post Non-Competitive Award Designation List More Prominently**

OMB posted the list of entities on the Non-Competitive Award Resolution online in 2003. Staff in the OMB monitor the site and forward all inquiries from the web to the appropriate Using Department (such as HHS) for further review. Between August 2003 and December 2004, OMB received 20 inquiries. Most of the inquiries have been statements about what services the vendor provides or provider resumés. HHS reports they are unable to determine whether any bids resulted from these referrals because they have no internal mechanism to track them. An informal query among staff could recall no instances where this occurred. OMB reports that over the past two years of monitoring these inquiries, the results were not as anticipated and suggests the amount of time spent monitoring, forwarding, and reviewing these inquiries needs to be compared to the results achieved

**2. Assessment of Awards that are Not Non-Competitive**

As part of its review of the DHHS and DHCA awards, OLO and Council staff assessed how the FY 05 list complies with Council guidance in Resolution 14-490 to not place awards on the list that could otherwise be managed as competitive procurements. OLO and Council staff identified three groups of providers (38 entities) that could be removed from the list because the selection process for funding is based on criteria and a funding formula that distributes funds to every provider that qualifies. All of these funds pay providers who, collectively, are an established part of the County's service delivery system for public services to vulnerable populations. The funding arrangements for these groups are described in more detail below:

**Funds for providers of services to adults with developmental disabilities:** Twenty-six organizations on the list receive funds each year to "Promote normalization of adults with developmental disabilities." These funds support non-reimbursable activities and address the high cost of living and doing business in the County. The County distributes these funds to any provider receiving State funds for the services according to a formula.

**Funds for providers of residential rehabilitation and psychiatric rehabilitation services to adults with mental illness:** Seven organizations receive funds to “provide residential rehabilitation services for adults with serious and persistent mental illnesses.” These funds go to support providers receiving State funds for these services. State funds for these services are currently frozen; otherwise, the amounts and organizations would change depending on who was receiving State funds.

**Cigarette Restitution Funds:** All five County hospitals receive \$250,000 of Cigarette Restitution Funds (CRF) to “provide cancer screening and education services”. These funds are given in equal amounts to all hospitals based on State funding levels for the CRF program in a given year.

## VII. THE FY 05 APPROVED NON-COMPETITIVE DESIGNATION LIST FOR DHHS AND DHCA

As part of this study, the Council asked OLO to compile a summary of the categories and amounts of non-competitive grants for DHHS and DHCA on the FY 05 Non-Competitive Designation List. This chapter presents the results of OLO and Council staff's review.

- **Part A** presents an overview of 177 awards for DHHS and DHCA;
- **Part B** discusses the 159 awards administered by DHHS. This part describes DHHS' budget and service delivery system, summarizes the awards by service area, and proposes four award categories;
- **Part C** reviews the 18 awards for DHCA and summarizes their types and amounts.

### A. The FY 05 Non-Competitive Award Designation List for DHHS and DHCA

The FY 05 Non-Competitive Award Designation List for DHHS and DHCA has 177 awards to 112 organizations totaling \$27.023 million. Table 6 shows:

- The DHHS awards include \$3.049 million for 36 discretionary grants (including \$1.9 million for 19 private agency requests and \$1.2 million for 27 County Council awards) plus \$22.899 million for 113 awards in the DHHS budget.
- The DHCA awards include \$280,000 in discretionary grants (for nine County Council awards) plus \$794,000 for nine awards in the DHCA budget.

The awards nominated by DHHS and DHCA staff include a mix of awards to support the recommended budget submission plus discretionary grants that the County Executive or County Council nominated in a prior budget year that staff nominate carry over into the current year.

**TABLE 6. APPROVED FY 05 NON-COMPETITIVE AWARDS IN DHHS AND DHCA**

Dept	Grant Name	# of Awards	Amount (000).	Percent of Total
DHHS	Private Agency Request	19	1,858.2	7
	County Council Grant	27	1,190.4	4
	Remaining Non-Competitive Awards in DHHS budget	113	22,899.3	85
<b>Subtotal</b>		<b>159</b>	<b>\$25,947.9</b>	<b>96</b>
DHCA	Private Agency Request	0	0	0
	County Council Grant	9	\$280.2	1
	Remaining Non-Competitive Awards in DHCA budget	9	\$794.4	3
<b>Subtotal</b>		<b>18</b>	<b>\$1,044.6</b>	<b>4</b>
<b>TOTAL</b>		<b>177</b>	<b>\$27,022.5</b>	<b>100%</b>

Source: OLO and the FY 05 Approved Operating Budget.

**Patterns of Stated Justifications for Non-Competitive Award Status.** As noted earlier, OLO and Council staff conducted a key word search of the forms designed to illuminate patterns of stated justifications for non-competitive award status. Staff searched for the most prevalent keyword phrases used in the justifications to support non-competitive status; these phrases were also used by department staff in interviews with OLO and Council staff. Table 5 presents the seven key word categories and the distribution of the justifications among the 129 forms. There were 22 forms that had justifications in two categories. The data in Table 5 shows the pattern and distributions for 152 incidents of the key words.

**TABLE 5. PATTERNS OF JUSTIFICATION FOR 129 DHHS AND DHCA AWARDS ON THE FY 05 NON-COMPETITIVE AWARD DESIGNATION LIST**

Key Word Categories	DHHS Incidents	DHCA Incidents	Total Incidents
Named in Grant	9	5	14
Vulnerable Population	9	0	9
Only Provider	29	2	31
Uniquely Qualified or Unique Provider	15	10	25
Unique Model or Specialized Service	15	0	15
Contribute/Leverage	13	0	13
Other/Not Specified	44	1	45
Total Incidents of Key Words	134	18	152

Source: OLO and OMB, DHHS and DHCA budget award forms.

**B. An Overview of DHHS' Budget and Service Delivery System**

Montgomery County has a single Department of Health and Human Services to provide public health, mental health, income support, and other social services for vulnerable County residents. Its mission statement is to

Assure the provision of integrated, programmatically sound, and fiscally responsible services addressing the health and human service needs of Montgomery County residents; to develop and implement policies and procedures which further this end; to maximize the resources available for direct, customer-oriented services while maintaining adequate management oversight at minimal costs; to pilot and evaluate innovative approaches to service delivery and system coordination; and to develop and maintain a broad network of community, non-profit, public, and private sector delivery organizations in a sustained and substantial partnership. (FY 05 Approved Operating Budget)

The services of the department were consolidated in FY 96 into one department from four individual departments. This configuration is unique among other jurisdictions in the State, and required a specific agreement with the State that gave Montgomery County more local authority and responsibility over certain aspects of service delivery and allowed the consolidation of department functions.

## **1. DHHS' Budget and Organizational Structure**

The FY 05 approved operating budget for the department is \$205.875 million, and includes 1,437 workyears. The department is currently organized into a Director's Office, an Office of the Chief Operating Officer, an Office of Community Affairs and four "service areas", each led by a Service Area Chief.

- **Aging and Disability Services** includes assessment, in-home aide, residential and vocational, case management, protective, and community services for seniors and persons with disabilities. The approved FY 05 budget for this service area is \$31.6 million.
- **Behavioral Health and Crisis Services** includes all mental health, substance abuse, victim, crisis, and shelter and supportive housing services. The approved FY 05 budget for this service area is \$47.9 million.
- **Children, Youth, and Family Services** includes protective, community, juvenile justice, prevention services, child care assistance, and early childhood services for children and children with special needs. This service area also includes all income support programs, such as Temporary Cash Assistance and Food Stamps. The approved FY 05 budget for this service area is \$59.3 million.
- **Public Health Services** provides community health, inspection and licensing, emergency preparedness, epidemiology, and women's health services. It also provides services to monitor and protect public health in the areas of communicable diseases and STD/HIV Prevention and Treatment. The approved FY 05 budget for this service area is \$48 million.

## **2. Competitive and Non-Competitive Procurements in DHHS**

DHHS delivers many direct services with County employees. Many social service functions, such as child and adult protective services, income support services, inspection and licensing services, and school health services, remain within the direct service responsibility of the government.

DHHS also relies heavily on private sector organizations to provide direct services under contract with the County. For a wide range of programs, including in-home aide services, respite care, community health, substance abuse services, and some shelter services, County funds support the provision of direct services by outside organizations.

**Data for the Executive's Recommended FY 05 Budget.** In the spring of 2004, DHHS staff prepared an extensive program-level analysis of the Executive's Recommended FY 05 budget for use during Committee budget deliberations. This analysis included an estimate of competitive and non-competitive procurements. Table 7 below summarizes and presents these estimates for each of the service areas plus the three administrative offices combined.

**TABLE 7. DHHS FY 05 RECOMMENDED BUDGET:  
ESTIMATES FOR COMPETITIVE AND NON-COMPETITIVE AMOUNTS**

Service Area	WY	FY 05 Funds (000s)	Competitive (000s)	Non-Competitive (000s)	Total Award \$ (000s)	Percent Comp.	Percent Non-Comp.
Admin.	115	\$18,735	\$2,803	\$905	\$3,709	76%	24%
Aging and Disability	162	31,025	7,398	7,518	14,916	50%	50%
Behavioral Health and Crisis Services	258	47,451	10,839	5,387	16,226	67%	33%
Children, Youth, and Families	449	58,783	4,587	6,284	10,872	42%	58%
Public Health	451	47,098,	2,409	4,734	7,143	34%	66%
<b>Grand Total</b>	<b>1,435</b>	<b>\$203,092</b>	<b>\$28,036</b>	<b>\$24,829</b>	<b>\$52,865</b>	<b>53%</b>	<b>47%</b>

Source: OLO and DHHS, 2005.

The data show that, of the total DHHS FY 05 budget, \$52.9 million went out on service contracts, representing 27 percent of the total operating budget. Of this contracted amount, \$28 million or 53 percent went out competitively, while \$24.8 million or 47 percent went out in non-competitive contracts. Specifically, in terms of estimated non-competitive awards:

- The administrative offices estimated \$905,000;
- Aging and Disability Services estimated \$7.5 million;
- Behavioral Health and Crisis Services estimated \$5.4 million;
- Children, Youth, and Family Services estimated \$6.3 million; and
- Public Health Services estimated \$4.7 million.

The differences among service areas in the total amount contracted vary in part according to the type of services being delivered and the historical or philosophical approach to the service. They may also reflect a large amount of non-competitive contracts in one service area. For example:

- For Aging and Disability Services, many programs reflect a conscious effort to increase consumer choice in service providers, resulting in increased contracting of the service delivery. In addition, \$6.7 million of the non-competitive contracts in Aging and Disability Services supplements providers who serve adults with developmental disabilities.
- In Public Health Services, nearly \$2 million funds community health services that have been increased incrementally in recent years and implemented in partnership with pre-existing community clinic organizations.
- In contrast, child and adult protective services are viewed as a central government responsibility and mandate.

**A Comparison of the FY 05 Recommended and FY 05 Approved Budget.** Table 7 illustrates the patterns of competitive and non-competitive contracts in DHHS; however, it is based on the Executive's recommended budget for FY 05. It does not reflect final Council action on the FY 05 appropriation, including final decisions about non-competitive awards on the Approved Non-Competitive Award Designation List. The major program funds added by the Council that would significantly alter the final budget figures and contract percentages include:

- Funds for community health clinics, which are non-competitively awarded; and
- Funds for in-home aide services, respite services, and child care subsidies, which are implemented by a mix of in-house and contract providers.

In addition, the final budget included smaller additions and subtractions, some related to the Council's discretionary grants, that would not significantly alter the contract percentages.

Table 8 presents the non-competitive contract awards for DHHS from the FY 05 Approved Non-Competitive Award Designation List by service area.

**TABLE 8. APPROVED FY 05 DHHS NON-COMPETITIVE AWARDS ON THE  
DESIGNATION LIST BY SERVICE AREA**

<b>DHHS Service Area</b>	<b># Awards</b>	<b># of Orgs</b>	<b>Amount (000s)</b>	<b>Percent of Total</b>
Administrative Offices	22	12	1,178.2	5
Aging and Disability Services	56	42	8,528.3	33
Behavioral Health and Crisis Services	35	26	5,416.9	21
Children, Youth, and Family Services	21	16	2,970.6	11
Public Health Services	25	17	7,853.8	30
<b>DHHS TOTAL</b>	<b>159</b>	<b>113</b>	<b>\$25,947.8</b>	<b>100</b>

Source: OLO and DHHS, 2005.

#### **4. DHHS Categories for the Non-Competitive Award Designation List**

Within the wide range of organizations and services in the non-competitive award resolution, broad categories of providers emerge that have similar characteristics. Council and OLO staff identified four categories that represent distinct types of non-competitive relationships.

OLO and Council staff developed these categories based on discussions with DHHS staff, the context of past budget and other worksessions, and the key word search of the forms for patterns of stated justifications for non-competitive award status. This information provided a basis to understand the different types of relationships.

##### **a. Financial or Resource Partners**

Many of these awards represent situations where the government and a non-profit organization have a partnership relationship more than a purchase of services relationship. In these cases, the non-profit agency brings resources, financial or in-kind, to the agreement that benefit the County. For some contracts the County is not paying the full service cost, but is supporting the work of an organization that is in the County's best interest.

In DHHS staff's view, these contracts are a well-established and integrated part of the overall service delivery system, and they state that, in many cases, these contracts represent negotiation and collaboration between the County and the non-profit provider to develop the service, delivery model, or funding arrangement.

Thirteen forms use a justification stating that the entity "contributes" or "leverages" resources. However, there may be other entities that meet these criteria, but they are not identified because the terminology in the documentation is not consistent

The category of awards can be further subdivided into three subcategories:

- **Resource contributors.** In some contracts, the agency contributes financial, in-kind, staffing, capital, or volunteer resources to the service. For example, the County funds pre-natal care services to uninsured women with low incomes. However, the County funds do not constitute the full cost of the care, and the service provider contributes in-kind resources to provide the program.
- **Leveraging funders:** In some cases the presence of County funds leverages or maximizes outside funding for the service. For example, many of the non-competitive contracts for homeless services are a County match to Federal Housing and Urban Development (HUD) funds that have been awarded to the community organization. These Federal funds require County participation.
- **Intermediaries.** Some organizations provide a community relationship on the County's behalf. For example, one provider has operated as the County's designated broker for health funds for community clinics. This practice originated because the

provider was a member organization that brought the community clinics together to operate more as a network whole. While the County retains policy control over the funding and direction of the program, the contractor provides administrative benefits to the County and the clinics in managing the County funds.

No data is available on the date of origin for these contracts. DHHS staff stated that a competitive bid would not necessarily produce the same outcome or garner the same resources.

#### **b. Uniquely Qualified Service Providers**

The justifications for non-competitive status often describe a provider as uniquely qualified or qualified due to the unique model or specialized nature of the services provided. A total of 30 forms used one of these justifications.<sup>1</sup> DHHS staff describes these providers as the only providers who could credibly provide the given service.

DHHS staff stated several reasons for continuation of these entities on the non-competitive list: that they were the best, most effective provider to work with; that a disruption in service would be damaging to the service recipients; or that a competitive bid process would not result in more qualified providers responding. Within this category, two additional subsets emerge:

- **Vulnerable populations:** Six of the 30 forms that characterize a provider as uniquely qualified also state that an award cannot be competitively bid because a disruption in service would be too damaging for the vulnerable individuals served by the contract.
- **Linked to a competitive contract:** A small number of non-competitive awards are described as services that are connected to a competitively bid contract for services. For example, one provider receives a non-competitive award for aftercare services for individuals who have been discharged from a shelter. The justification for this award states that because the provider operates the shelter, it is uniquely qualified to operate the aftercare services as well. DHHS staff stated that it is more effective to link the non-competitive and competitive services than to work with separate providers.

No data was available on the date of origin for these contracts. Five forms state that the contract had been previously bid with either no responses or with no other credible responses. DHHS staff stated that a competitive bid process would be unwarranted and unnecessary use of resources, as there are no other known providers who would respond to a request for proposals.

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<sup>1</sup> In addition, 29 forms describe the provider as the "only provider"; these were included in the sole source discussion in Chapter VI, for a possible relationship to a sole source procurement designation. However, if these awards do not meet the procurement threshold for sole source, they may have similar characteristics as the uniquely qualified providers.

**c. Identified Service Providers**

A third category of awards on the non-competitive list was designated by the administering department or an elected official as desired services to be carried out by an identified service provider. The non-competitive list is the only vehicle for establishing a contract under these circumstances. Some of the awards in this category are discretionary grants that the department carries over from the previous years. These ongoing contracts serve areas related to the department's established service priorities or delivery system; however, since they do not coordinate with department programs they may sometimes duplicate existing services.

**d. One-time-only grants in the Community Grants Non-Departmental Account**

The fourth category consists of services provided by entities as a result of awards nominated by the County Executive as a Private Agency Request or by the County Council as a discretionary grant. For FY 05, 36 of the DHHS entries in the non-competitive award designation list were discretionary awards. Some of these grants are budgeted in the Community Grants Non-Departmental Account because they are expected to be one time only grants. These grants have a limited and incidental relationship to County service delivery.

**C. DHCA Services and Awards**

The mission of DHCA is to: "plan and implement activities which prevent and correct problems that contribute to the physical decline of residential and commercial areas; maintain a marketplace which is fair to all parties (consumers and merchants, landlords and tenants, homeowners and their governing boards); increase the supply of new affordable housing; and maintain existing housing in a safe manner." (FY 05 Approved Operating Budget)

The budget for the Federal Programs area in DHCA includes the CDBG grant program funding and contains other community grants. DHCA has 18 awards to 13 organizations in the non-competitive award designation list. Of this total:

- Nine awards to seven organizations were added in FY 05 as discretionary awards by the County Council; and
- Nine awards to six organizations are also in the department's approved budget. Of these:
  - Four awards relate to the Housing Initiative Fund;
  - Four awards relate to Federal Housing and Urban Development (HUD) funding; of these, two provide Federal HOME funds to the only two organizations that meet the required Federal Community Housing Development Organization (CHDO) designation; and
  - One award is to the Montgomery County Historical Society to administer the Historical Activities NDA funding.

The justifications that DHCA prepares for these awards mirror some of the justifications seen in DHHS. For example:

- Twelve state that the provider is “uniquely qualified” or an “only provider” given its certifications, other activities, or community relationships; and
- Five state the provider is named in a grant, including four that cite “Federal Grant” as the justification for non-competitive status.

## **VIII. Findings**

Each year, Montgomery County enters into contracts with hundreds of non-profit organizations to deliver health and human services and community development activities. These contracts are awarded through a combination of competitive procurements, non-competitive procurements, and grant programs.

The Council requested this study by OLO and Council staff to obtain a better understanding of the County's practices for partnering with non-profit service providers. In particular, the Council asked OLO and Council staff to examine how the County Government selects and funds non-profit organizations through:

- The County programs for Community Service Grants, Community Empowerment Grants, Community Development Block Grants, and Emergency Shelter Grants, and the Executive's Private Agency Requests; and
- The Non-Competitive Award Designation List, which is approved by the County Council as part of the annual budget process.

This chapter summarizes OLO's findings, organized into six parts:

**Part A** contains general findings on the four grant programs, the Non-Competitive Award Designation List, and the different ways that the County joins with non-profit organizations to deliver health and human services and community development activities;

**Part B** contains findings on the solicitation and review practices of the four County grant programs;

**Part C** contains findings on solicitation practices for discretionary grants and comparative funding data for competitive and discretionary grants;

**Part D** contains findings on the procurement law and the Non-Competitive Award Designation List;

**Part E** contains findings on County Government practices to develop the Non-Competitive Award Designation List as part of the budget process; and

**Part F** contains findings on the policy framework established by the Council for use of the Non-Competitive Award Designation List.

**A. GENERAL FINDINGS**

**Finding #1. In FY 05, the County's programs for Community Service Grants, Community Empowerment Grants, Community Development Block Grants, and Emergency Shelter Grants awarded almost \$1 million to 44 organizations.**

This year, four County grant programs awarded a total of \$999,420 to 44 organizations to deliver a range of health and human services and community development activities. Federal funds account for \$830,300 (83%) of the amount awarded through these four programs; the other \$169,120 (17%) is locally funded. The table below summarizes the FY 05 funding levels and number of awards by program.

**TABLE 9. FY 05 GRANT PROGRAM FUNDING**

Grant Program	Source of Funding	Total Value of FY 05 Grant Awards	Number of Organizations Receiving Grant
Community Development Block Grant	Federal Government	\$733,100	29
Community Service Grants	County General Revenue	\$140,420	9
Emergency Shelter Grants	Federal Government	\$ 97,200	4
Community Empowerment Grants	County General Revenue	\$ 28,700	2
<b>Total</b>		<b>\$999,420</b>	<b>44</b>

Source: OLO. January 2005.

**Finding #2. In FY 05, 177 contract awards totaling \$27.023 million were designated for non-competitive contract status in the Non-Competitive Award Designation List for the Department of Health and Human Services and Department of Housing and Community Affairs.**

The FY 05 Non-Competitive Award Designation List approved:

- \$25.9 million to DHHS for entering into 159 non-competitive contracts with 99 organizations; and
- \$1.075 million to DHCA for entering into 18 non-competitive contracts with 13 organizations.

The value of the awards for contracts to be administered by DHHS and DHCA represents 69% of the entire FY 05 Non-Competitive Award Designation List. In total, the FY 05 Resolution approved \$39.033 million for 207 non-competitive contracts to 142 organizations to be administered by eleven different County Government departments.

**Finding #3. The 177 non-competitive contract awards in the FY 05 approved budgets for DHHS and DHCA reflect three nomination methods. \$23.7 million (88%) reflect awards nominated by DHHS and DHCA staff as part of its budget submission. The other \$3.3 (12%) million is for County Executive Private Agency Requests and County Council discretionary grants.**

Each year, as part of the budget process, the County Executive and the County Council designate many non-profits for non-competitive awards to fund health and human services and community development activities. The County Council designates the organizations to receive these grants and the award amount on the Non-Competitive Award Designation List, which it adopts as part of the budget resolution. To be considered for one of these awards, an organization makes a request to the County Executive, one or more County Councilmembers, or a departmental staff person in a particular program area.

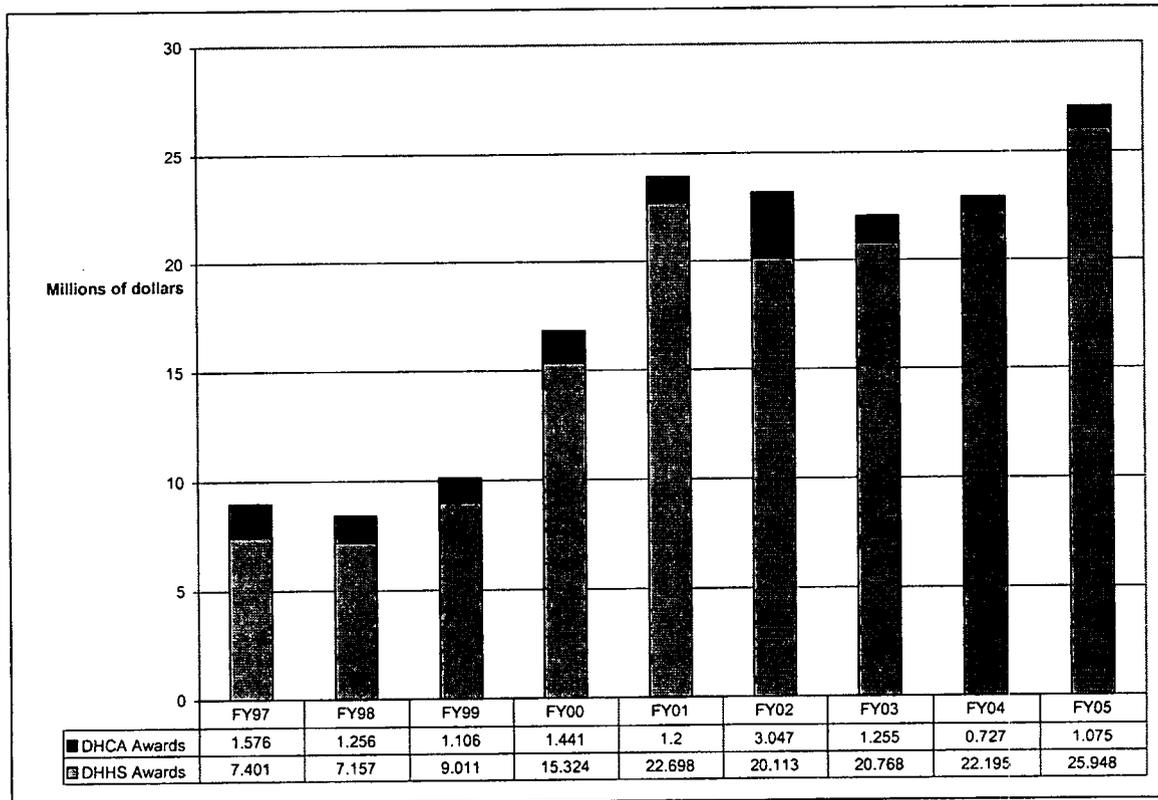
In FY 05, the \$27.023 million approved for funding the 177 DHHS and DHCA awards on the Non-Competitive Award Designation List included:

- \$23.7 million (88%) to fund non-competitive contracts in the approved budgets nominated by DHHS and DHCA staff;
- \$1.9 million (7%) to fund non-competitive contracts recommended as the County Executive's Private Agency Requests (for DHHS); and
- \$1.5 million (5%) to fund non-competitive contracts recommended as the County Council's discretionary grants (for DHHS and DHCA).

**Finding #4. The total amount of funds for DHHS' and DHCA's awards on the Non-Competitive Award Designation List nearly tripled since FY 97.**

An analysis of data shows funding for DHHS' and DHCA's non-competitive award designations increased dramatically between FY 97 and FY 05. Chart 1, on the next page, shows the combined value of these awards increased from \$9 million in FY 97 to \$27.023 million in FY 05. (See page 16 for more detail).

**EXHIBIT 1. DHHS AND DHCA NON-COMPETITIVE DESIGNATION LIST  
AWARD AMOUNTS, FY 97-FY 05**



Source: OLO and Approved Operating Budgets, FY 97 – FY 05.

**Finding #5. DHHS' and DHCA's contracts with non-profit organizations that are authorized through the Non-Competitive Award Designation List can be grouped into four categories of financial and service provider relationships.**

OLO and Council staffs conducted a review of DHHS' and DHCA's awards in the FY 05 Approved Non-Competitive Award Designation List and identified four categories of relationships that showed different types of financial arrangements and different expectations of service delivery and outcomes.

**Financial or Resource Partners** are non-profit organizations that establish a partnership with the County to finance or structure funding for the delivery of services, such as pre-natal care, services to the homeless, or community health clinics. A financial partner may underwrite the cost of service delivery and use the County award to reduce the amount of its subsidy. Alternatively, a financial partner may cover the cost of service delivery by using the County award to leverage federal or state funds; or, acting as the County's designated broker, it may manage the distribution of funds to a network of providers.

**Uniquely Qualified Service Providers** are non-profit organizations that may be the only provider of a given service model, or qualified due to the specialized nature of the services provided. These services are specialized due to the nature of the service, the service delivery model, or the location of the service. DHHS managers perceive these non-profits play an integral role in the department's overall service delivery system.

**Identified Service Providers** are non-profit organizations that have been designated by the administering department or an elected official to carry out desired services. Many of the organizations in this category are recommended for a non-competitive discretionary grant through the County Executive's Private Agency Award process or the County Council's process. In some cases, the services these non-profits deliver duplicate existing County programs or services that other identified providers deliver.

**Financial Award Recipients** are non-profit organizations that receive County funds to pilot new initiatives or support activities for individuals and communities that are not comfortable with the services offered through an existing departmental program. Some of the recipients that currently receive a non-competitive award designation began as a recipient of a County grant program.

#### **B. SOLICITATION PRACTICES FOR THE FOUR COUNTY GRANT PROGRAMS AND FOR DISCRETIONARY GRANTS**

**Finding #6. The four County grant programs solicit applications by using direct mail, electronic mail, posting on the Internet, and informal outreach through community meetings.**

The Community Service Grant program, which is administered by DHHS' Office of the Director, sends a letter to a database of 400 non-profits, buys advertisements in local newspapers, and posts its 13-page application package on its website.

The Community Development Block Grant and Emergency Shelter Grant programs, which are administered by DHCA's Federal Programs Section, send out notices to people in the program, advertise through the list services that the Regional Service Centers maintain, conduct informal community forums, and meet with community groups throughout the year.

The Community Empowerment Grant program, also administered by the Federal Program Section in DHCA, gears its solicitation efforts to the anticipated availability of funds. In years when funding is more available, staff uses electronic mail to distribute program notices to a list of community contacts, including people who work with immigrant populations.

**Finding #7. The four County grant programs have written program purposes and eligibility guidelines. The programs have different funding term limits and maximum award amounts.**

The four County grant programs differ in their program purposes and other characteristics. (See exhibit on page 37.)

The stated purpose of Community Service Grants is to provide County funds to assist non-profit agencies with one-time capital equipment purchases. Any non-profit organization that provides health and human services to County residents is eligible. The funding term is one year and the maximum award is \$20,000.

The stated purpose of the Community Empowerment Grant program is to support organizations that work to overcome barriers to full community participation. The intent of the program is to provide funds to support small, grass roots organizations with limited budgets that rely heavily on volunteers. DHCA's program guidelines limit funding to private, non-profit organizations that represent minority groups or other groups that work to overcome barriers to fuller community participation. An eligible project activity improves the quality of community life, develops strategies to enhance community empowerment, or enhances a collaborative relationship between a non-profit and the County. Project costs must be directly related to the project. An organization must apply for funding each year. The maximum award amount is \$25,000.

The stated purpose of the Community Development Block Grant (CDBG) program is to fund services and facilities that benefit low and moderate income residents. The eligibility guidelines for CDBG funds either establish income eligibility requirements for project participants or locate the activity in a geographic area where the majority of residents have low or moderate incomes. An organization must apply for funding each year and can receive funding for up to three years. The maximum award amount is \$45,000 per year.

The stated purpose of the Emergency Shelter Grant (ESG) program is to fund services and facilities that primarily benefit people who are or may become homeless. The ESG program identifies five broad categories of activity, i.e., renovation, essential services, operation costs, homelessness prevention, and administrative costs. This program also limits the amount of funds that can be spent on certain types of activities and requires matching funds from other public or private sources. An organization must apply for funding each year and can receive funding for up to three years. The maximum award amount is \$45,000 per year.

**Finding #8. The four County grant programs use different practices to assess an applicant's proposed project, organizational capacity, and alignment with County programs.**

Although all four of the County grant programs rely on a panel to review and rank project proposals, each one uses a unique approach for selecting entities for award. For example:

- The Community Service Grant program convenes a five member panel, chaired by the Director of DHHS. DHHS determines the membership for the panel each year; members are selected for their ethnic diversity, professional background, and lack of affiliation or ties to potential applicants. The panel members meet once in January to score and rank applications, compare scores, and group the applicants into funding tiers. The criteria the panel uses to rank the applications address the extent to which each proposal matches County and DHHS objectives.
- The Community Empowerment Grant program convenes a panel of departmental staff, which conducts a comparatively informal review with no formal scoring criteria. This is because historically the program has been relatively small and resources to administer the program are limited. The panel screens proposals to see if they meet program eligibility guidelines and asks about the applicant's investigation of other County funds. The staff prepares a priority ranking of the applications which it forwards to the County Executive.
- The CDBG/ESG programs use a 15-member Community Development Advisory Committee, appointed by the County Executive, to review and evaluate applications. The Advisory Committee conducts a public hearing to hear about general community needs. It organizes itself into sub-committees by issue, e.g., youth, housing, and the subcommittees meet from mid-October to mid-December to review applications. The applicants appear before the subcommittees to explain their proposals; subcommittee members frequently make site visits to better understand an organization's mission. DHCA staff take notes and prepare subcommittee reports to the full committee. The subcommittees rank the applicants into priority groups; there is no numerical ranking system. In December, the chairs of the subcommittee convene to develop the master list, which the Director of DHCA forwards to the County Executive.

**C. SOLICITATION PRACTICES FOR DISCRETIONARY GRANTS AND FUNDING AMOUNTS FOR COMPETITIVE AND DISCRETIONARY GRANT AWARDS**

**Finding #9. The County Executive and County Council use the Non-Competitive Award Designation List as a mechanism to fund discretionary grant awards. The development of the Designation List begins in September and ends in May. During this time, a non-profit can pursue three separate processes to be placed on the Designation List, which the Council adopts as part of the Operating Budget Resolution.**

A discretionary grant is a type of non-competitive contract award nominated by either the County Executive as a Private Agency Request or one or more Councilmembers. For several years, in addition to the competitive grant programs, the County Executive and County Council have used the Non-Competitive Award Designation List as a mechanism to fund discretionary grant awards. The development of the Non-Competitive Award

Designation List begins in September and ends in May. During this time, a non-profit can pursue three separate processes to be placed on the Designation List, which the Council adopts as part of the Operating Budget Resolution.

- First, a non-profit can contact a staff person in DHHS or DHCA with a service and funding proposal and ask to be funded (and recommended for the Designation List) as part of the budget the department submits to the County Executive.
- Second, a non-profit can contact the County Executive and asked to be considered for a discretionary grant, also known as a Private Agency Request.
- Finally, a non-profit can contact one or more Councilmembers and asked to be considered for a County Council discretionary grant.

The recipients of discretionary grants reflect a mix of funding purposes. Many awards support direct service delivery. Some discretionary grants are County funds for bond bill matches to leverage state or private funds. For example, the Approved FY 05 Designation List, there are bond bill matches for Takoma Park Community Center, Victory Youth Center, Community Services for Autistic Adults and Children (CSACC), and Our House.

**Finding #10. Staff in the Office of the County Executive, OMB, and individual departments share responsibilities for administering the process associated with the County Executive's Private Agency Requests.**

The County Executive establishes the parameters for soliciting and nominating recipients for Private Agency Request grants. This process occurs during the County Government's budget development process. The responsibilities for this process are shared among staff in the Office of the County Executive, the Office and Management and Budget (OMB), and individual departments as needed.

Staff in the Office of the County Executive receive and log correspondence that contains specific funding requests, as part of the correspondence control system. All requests are sent to OMB for tracking; some are also sent to individual departments for consideration as they develop their budgets. There are no fixed criteria for deciding whether a request should be routed to OMB for consideration as a Private Agency Request, or to a department to be considered as part of the department's own budget submission.

Staff in the Office of the County Executive observe that the process is designed to be flexible, so that requests can be handled in line with the budget priorities the Executive sets each year. Except for a requirement in the procurement law that the proposed funding "fulfill a public purpose", OMB states there are no written guidelines or other eligibility criteria that an organization must satisfy to apply for or be nominated as a Private Agency Request.

No central intake point, application form, or fixed deadline exists for Private Agency Request applications. Organizations contact staff in the Office of the County Executive, OMB, or individual departments to request a nomination. In place of an application form, Executive Branch staff generally ask an organization to send a letter of inquiry explaining the need, the program purpose and amount of funding requested. Organizations submit requests throughout the year for information on funding. In many cases, requests received prior to formal grant deadlines are referred to appropriate grant programs.

The information that organizations submit to accompany a letter of request varies. Some organizations submit extensive documentation; others submit a brief letter of inquiry and OMB staff follow-up to clarify needed information. Staff in the Office of the County Executive report that Private Agency Requests are reviewed in a manner comparable to other items on department budget competition lists. Executive staff contact staff in all the appropriate departments to discuss the nature of the request and what is known about the organization.

The County Executive makes decisions on his recommendations for Private Agency Request grants as he finalizes his overall budget decisions. After the County Executive makes his selections, OMB staff completes a one-page justification form for each organization that includes a description of the service, a funding amount, and a statement that explains why a non-competitive award is justified.<sup>1</sup> The Executive's recommendations for Private Agency Request grants are incorporated into the Recommended Operating Budget, which is transmitted to the County Council on March 15. OMB staff send notification letters to all applicants on March 15 after the budget is released.

**Finding #11. The County amount of funds appropriated for discretionary grants is three times the funds for competitive grants. In FY 05, the County appropriated \$4.3 million for discretionary grants and competitive grants combined, including \$3.3 million (77%) for 55 discretionary grants and almost \$1 million for 44 competitive grants.**

Table 3, on the next page, compares the funding appropriated in the FY 05 Approved Operating Budget for competitive grants, i.e., Community Service Grants, Community Empowerment Grants, Community Development Block Grants, and Emergency Shelter Grants, and discretionary grants, which are non-competitive contract awards, designated in the Non-Competitive Award Designation List by either the County Executive (as a Private Agency Request) or the County Council.

The FY 05 amount of County funds the County appropriated for discretionary grants is over than three times the amount of funds for competitive grants. If the \$830,300 in federal dollars for Community Development Block Grants and Emergency Shelter Grants are removed from the equation, the \$3.3 million in County dollars for discretionary grants is almost 20 times the \$169,200 of County dollars for Community Service Grants and Community Empowerment Grants.

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<sup>1</sup> See Appendix 15 for a copy of the form.

**TABLE 3. FUNDING APPROPRIATED IN THE FY 05 APPROVED  
OPERATING BUDGET FOR COMPETITIVE AND DISCRETIONARY GRANTS**

Category	Grant Name	# of Awards	FY 05 Amount (000s)	% of funds
Competitive Grant Programs	Community Service Grants	9	140	3
	Community Empowerment Grants	2	29	1
	Community Development Block Grants	29	733	17
	Emergency Shelter Grants	4	97	2
<b>Subtotal for Competitive Grants</b>		<b>44</b>	<b>\$ 999</b>	<b>23</b>
Discretionary Grants	Private Agency Request grant	19	1,858	43
	County Council grant	36	1,471	34
<b>Subtotal for Discretionary Grants</b>		<b>55</b>	<b>\$3,329</b>	<b>77</b>
<b>Grant Total</b>		<b>99</b>	<b>\$4,328</b>	<b>100%</b>

Source: OLO and FY 05 Approved Operating Budget

**D. PROCUREMENT LAW AND THE NON-COMPETITIVE  
AWARD DESIGNATION LIST**

**Finding #12. County law defines four circumstances that justify a non-competitive contract award. The law also requires the Chief Administrative Officer to make “a written determination that the contract serves a public purpose.” The law also provides that sole source contract awards over \$25,000 must not be made without the approval of the Chief Administrative Officer.**

County procurement regulations define a non-competitive procurement as “the acquisition by contract of a valid County requirement without prior notice or competition.” Under Section 11B-14 of the Procurement law, a non-competitive contract award is justified when:

- “(1) there is only one source for the required goods, service or construction which can meet the minimum valid needs of the County, including timeliness of performance; (i.e. a sole source award)
- (2) the contract is in connection with potential or pending litigation, condemnation or collective bargaining;
- (3) a proposed contractor or subcontractor has been specifically identified in a grant accepted by the County; or
- (4) a proposed contractor has been identified in a grant or appropriation resolution approved by the Council.”

The Procurement law and Regulations establish specific conditions and requirements that must be met before a contract may be awarded non-competitively, including those contracts resulting from a grant where the Non-Competitive Award Designation List is used. And they provide an additional requirement for sole source contracts valued over \$25,000, as noted below.

- For sole source contracts under \$25,000 (as well as those valued above \$25,000) and all other bases for noncompetitive procurements (i.e. a contract in connection with litigation, condemnation, or collective bargaining; a proposed contractor or subcontractor identified in a grant accepted by the County; or a proposed contractor identified in a grant or appropriation resolution approved by the Council), the law requires the Chief Administrative Officer to “make a written determination that the contract serves a public purpose” (Section 11B-14(a));
- For sole source contracts valued over \$25,000, the law not only requires the Chief Administrative Officer to “make a written determination that the contract serves a public purpose, but also states the additional requirement that the award “must not be made without the approval of the Chief Administrative Officer.” (Section 11B-14(b)).

**Finding #13. County procurement regulations establish requirements for non-competitive procurements generally and for non-competitive contract awards named in a grant or a Council appropriation resolution specifically.**

County procurement regulations establish requirements that apply to all non-competitive procurements, including non-competitive awards authorized in a grant or through the adoption of a County appropriation resolution

For all non-competitive procurements or non-competitive contract awards, the regulations generally:

- Establish minimum award documentation requirements, which consist of a contract with “specifications reflecting the minimum valid needs of the County” and “a memorandum from the Using Department to the Director of Procurement which contains a full explanation and justification for a noncompetitive procurement;”
- Require a contract, in a form approved by the County Attorney, that includes specifications or conditions of performance, a payment schedule, and other mandatory provisions.

For a non-competitive contract award for an entity named in the Non-Competitive Award Designation List, the regulations:

- Give the Director of Procurement, based on a recommendation from the Using Department, the authority to determine that a non-competitive contract award serves a public interest and to enter into a contract; and
- Authorize an exemption from the requirement for a Fair and Reasonable price determination if a Using Department, prior to County Council approval of a grant award, certifies “to the County Council, the Office of Management and Budget, and the Director of Procurement that a proposed designee would qualify as a responsible offeror; that the award amount is fair and reasonable, and, that the services funded by the award are in the public interest.” .” (See Regulations 10.3.5.4 & 17.3.2).

**Finding #14. The requirements in County procurement regulations for sole source contracts over \$25,000 require the Contract Review Committee to make a written determination and finding that a sole source contract is justified. This level of oversight does not exist for a non-competitive awardee that is named either in a grant or a Council appropriation resolution.**

County procurement regulations define a sole source as “a type of non-competitive procurement in which goods, services or construction necessary to meet minimum valid needs of the County are available from only one person.” The process of approval for these contracts, which is established in County regulation;

- Requires the Contract Review Committee, prior to its approval, to make a written determination and finding that a sole source contract is justified. The law and regulations define six specific factors that must be used to arrive at this determination.
- Requires the Chief Administrative Officer to make a written determination that the contract serves a public purpose; and
- States that an award must not be made without the approval of the Chief Administrative Officer.

**Finding #15. The guidelines in OMB’s Budget Preparation Manual for the “Designation of Entities for Non-Competitive Contract Award Status,” suggest a hierarchy among non-competitive contract award circumstances that uses the Non-Competitive Award Designation List as the option of last resort. This interpretation is not reflected in County law and regulation.**

Section 13 of OMB’s Budget Preparation Manual, titled “Designation of Entities for Non-Competitive Contract Award Status (Grantee List),” provides step by step instructions for a department to designate an entity for non-competitive contract award status. The instructions remind departments that the non-competitive award list is not meant to be a vehicle to circumvent the competitive bid process. Specifically, the instructions state:

Departments must exercise caution in the use of this process. Its purpose is not to circumvent the competitive bid process, but rather, to serve a public purpose in those unique situations where it is necessary to award a contract on a noncompetitive basis.

OMB emphasizes that if an entity is a sole source contractor or is specifically identified in a grant, it would qualify for non-competitive status through another provision in the law and need not be included in the department's request.

The emphasis in the instructions suggest that a department should not pursue a recommendation for the non-competitive award designation list as a vehicle to circumvent the regulatory processes for other non-competitive contract awards, such as a sole source contract.

The issue of the relationship among the types of non-competitive contract awards is not explicitly addressed in County law or regulation. County law is silent on the matter and County procurement regulations only state that a non-competitive award contract can take place if "one or more" of these circumstances exist. The County Attorney views the law as making no differentiation among the four circumstances. Staff in the Office of the Chief Administrative Officer who chairs the Contract Review Committee perceives that the Non-Competitive Award Designation List functions as an important safety valve that allows for the approval of non-competitive contract awards that do not meet the more strict test established for sole source contracts.

#### **E. COUNTY GOVERNMENT PRACTICES TO DEVELOP THE NON-COMPETITIVE AWARD DESIGNATION LIST**

**Finding #16. The OMB budget preparation manual includes a form that department staff must complete to request that an entity be named in the Non-Competitive Award Designation list.**

The Office of Management and Budget (OMB), which has lead responsibility for assembling, reviewing, and packaging a draft Non-Competitive Award Designation List, which reflects the County Executive's Recommended budget, has developed written instructions and a form which department staff must complete for each entity recommended for the Designation List. This form is available on the County's intranet site or in OMB's Budget Preparation Manual.

The purpose of completing the form is to explain why a vendor is eligible for non-competitive status. Department staff are instructed to provide the name of the entity, describe the proposed services, identify the requested budget amount, report the last date the contract was bid competitively, and state why the department believes the entity merits a non-competitive status designation.

**Finding #17. Staff in the Office of Management and Budget and the departments share the responsibilities for developing the Non-Competitive Award Designation list during the budget process. In interviews with OLO and Council staff, department staff suggested that staff often rely on designation through Council resolution as the most efficient method to process an award.**

DHHS and DHCA staff must nominate entities for which they will request non-competitive status as part of the department's budget submission package. In interviews with OLO and Council staff, DHHS staff reported the entities they recommend generally include organizations in the approved budget for the previous year, plus new entities that the County Executive, the County Council, or DHHS staff identify. Staff reported entities in the base budget, which were originally nominated for a discretionary grant (by the County Executive or the County Council) in a prior year, are generally nominated by the department staff for designation in subsequent years.

In interviews with DHHS program and budget managers, OLO heard general agreement that designating an entity for a non-competitive award through the annual budget process is much easier than attempting a sole source procurement. In some cases, this observation is based on direct experience; in other cases, it is based on perception. OLO and Council staff also heard the following themes about the Designation List from DHHS staff:

- It is the easiest path through the County's procurement process;
- It is often the quickest way to implement service dollars through a known and respected provider agency;
- It allows staff to extend a contract beyond the usual three year term (one year plus two one-year extensions); and
- It keeps a relationship with a known provider instead of having to face a new, unknown vendor a bid process might produce.

OMB assigns a budget analyst to manage the overall process for designating entities for non-competitive award status, which includes reviewing the forms that the departments submit. A few years ago, the budget analyst conducted a thorough, independent review of the list and removed several items. Since then, as the departments submit their budgets, the OMB budget analyst examines the submission to identify new requests and verify that the request for noncompetitive award status is warranted.

**Finding #18 OLO and Council staff reviewed of 129 completed budget forms for the FY 05 approved DHHS and DHCA awards found limited information exists about the original date of the contract; five contracts have ever been competitively bid; and “only provider” and “unique provider” are the most commonly used terms to justify a non-competitive contract award using the Designation List.**

OLO and Council staff reviewed 140 forms that department staff completed as part of the budget submission process.<sup>2</sup> Eleven of these forms were either missing or incomplete, leaving a sample of 129 completed forms. OLO and Council staff looked for information about the original contract date, the number of awards that had been competitively bid, and, the reasons or words staff used to justify a non-competitive award.<sup>3</sup> This review yielded the following results:

Records of the original date for each non-competitive award are not readily available. The budget form that department staff completes to nominate an entity to the Designation List does not include a field to record the year an entity originally appeared on the list. Department staff reported this information is not routinely maintained or readily available.

Of the 129 completed forms, four of the awards were new contracts. Of the remaining 125 awards, 5 reported the contract had been previously bid; 39 of the forms stated the contracts had never been competitively bid; and 26 reported “N/A.” Fifty five forms did not respond to the request for information.

A search for key words in the reasons used to justify a non-competitive contract award through nomination to the Designation List showed several forms used the phrases “only provider” or “unique provider” and others stated the designee was “named in a grant.” Also, 22 of the forms provided two justifications, creating a total of 152 incidents. Specifically:

- 31 forms stated that designation for a non-competitive award was justified because the provider was the “only provider” of a given service,
- 25 forms used the term “unique provider,” and,
- 14 forms stated that the entity was named in a grant.

The numbers for the justifications “named in a grant” and “only provider” indicate that an overlap may exist among the use of the Designation List and two of the other methods that exist to justify a non-competitive contract award. This overlap raises a policy issue of what the relationships among the different non-competitive award methods should be and a practical question of whether some of the awards currently on the Designation List should seek approval for a non-competitive contract award through another method.

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<sup>2</sup> There are 177 DHHS and DHCA awards on the FY 05 Designated List. Of the 37 awards missing a form; 27 of these were Council discretionary grants (which do not require a form), 9 were Private Agency Requests, and one award was inadvertently left off the list.

<sup>3</sup> 8 awards were missing forms, and 3 awards had incomplete forms.

**Finding #19. DHHS and DHCA staff identified some recurring issues associated with their responsibilities for developing, negotiating and executing a service delivery contract with entities designated for a non-competitive award.**

After the County Council approves the budget, including the Non-Competitive Award Designation List, department staff must develop, negotiate, and execute a service delivery contract with those entities funded in their respective program budgets. In DHHS, the budget specialist and program managers in each service area develop the scope of services to be carried out, and the contract team manages the remaining contract execution responsibilities. In DHCA, staff in the Federal Program Section manage these contracts.

Staff in both DHHS and DHCA identified the following recurring issues associated with this process:

- In some cases, an entity expecting a “grant” from the County is surprised to learn that it has to enter into a service contract instead of simply receiving a County check.
- Entities that enter into contracts with the County must satisfy the general terms and conditions that the County requires of all contractors, including insurance coverage. Some entities have trouble obtaining insurance coverage; in other cases, the cost of insurance is more than the amount of the County grant award.
- It can be challenging to write the scope of services for a contract when the services the entity named in the Designation List is expected to provide are not clearly defined at the time of award.
- Problems can also be created when the service proposed by the entity named in the Designation List duplicates or overlaps with existing services that the department delivers.
- Recent changes to the Procurement regulations included a requirement to conduct a cost price analysis, even for non-competitive awards (valued above \$50,000). (Section 10.3.2.2). However, this requirement can be very difficult to accomplish, since the contract amount is pre-determined, non-competitively.

**E. POLICY STRUCTURE FOR USE OF THE NON-COMPETITIVE AWARD  
DESIGNATION LIST**

**Finding #20. Council Resolution 14-490, adopted in May 2000, establishes a policy framework for the County Government's administration of the Non-Competitive Award Designation List.**

In May 2000, the County Council approved Council Resolution 14-490 to amend the designation process for the Non-Competitive Award Designation List. This resolution was the result of a 1999 Management and Fiscal Policy Committee discussion of issues

associated with the list. At that time there were well over 200 contracts on the FY 2000 Non-Competitive Award Designation list. The key points in Resolution 14-490 are summarized below. (See page 13 for a more detailed discussion.) Specifically, Resolution 14-490:

- Provided that the designation of entities for non-competitive contracts be approved as part of the County Government Operating Budget Resolution.
- Stated that the list of designated entities would continue to include a purpose statement for each non-competitive contract and that a change in purpose would require an amendment to the approval resolution.
- Stated that the list of designated entities would continue to include a dollar amount for each non-competitive award.
- Recommended that the County Executive put in place a process to assure that non-competitive contracts receive periodic reviews, particularly for those goods or services that are procured through a non-competitive contract in multiple years.

**Finding #21. Another key policy established in Resolution 14-490 is that the Non-Competitive Award Designation List should include only non-competitive contracts. In 2000, the Council removed \$2 million of awards as a result of this policy. In 2005, the Council could remove an additional \$4 million following the same reasoning.**

Part of the Council policy stated in Resolution 14-490 is that the list of designated entities should include only proposed non-competitive contracts. Staff review of the non-competitive list at that time identified several groups of providers that could be removed from the list because the funding decisions for these awards were based on an open competitive process. As a result of this review, the Council removed \$2 million of County grants, i.e., Community Empowerment Grants, Community Service Grants, Community Development Block Grants, and others, from the FY 01 Non-Competitive Award Designation List.

As part of this study, OLO and Council staff's review of the DHHS and DHCA awards identified three more groups of providers (38 entities) that could be removed from the list because the selection process for funding is based on criteria and a funding formula that distributes funds to every provider that qualifies. All of these funds pay providers who are an established part of the County's service delivery system for public services to vulnerable populations. The funding arrangements for these groups are described in more detail below:

**Funds for providers of services to adults with developmental disabilities:** 26 organizations on the list receive funds each year to "Promote normalization of adults with developmental disabilities". These funds support non-reimbursable activities and address the high cost of living and doing business in the County. The County distributes these funds to any provider receiving State funds for the services according to a formula.

**Funds for providers of residential rehabilitation and psychiatric rehabilitation services to adults with mental illness:** Seven organizations receive funds to “provide residential rehabilitation services for adults with serious and persistent mental illnesses”. These funds go to support providers receiving State funds for these services. State funds for these services are currently frozen; otherwise, the amounts and organizations would change depending on who was receiving State funds.

**Cigarette Restitution Funds:** All five County hospitals receive \$250,000 of Cigarette Restitution Funds (CRF) to “provide cancer screening and education services”. These funds are given in equal amounts to all hospitals based on State funding levels for the CRF program in a given year.

**Finding #22. A recurring Council suggestion has been to implement a periodic timed review of organizations named in the Non-Competitive Award Designation List. In 2002, the Council agreed to the CAO's suggestions for a pilot program, which was proposed as an alternative to timed review.**

The Council has discussed the issue of implementing a process to assure that non-competitive contracts receive periodic reviews since 2000.

This issue was initially addressed in May 2000 when the Council adopted Resolution 14-490 and recommended that the County Executive put in place a process to assure that non-competitive contracts receive periodic reviews. It was revisited in July 2002 at a Council Committee meeting. At that time the Council Committee discussed a requirement to solicit bids every five years and also discussed setting a minimum threshold award amount to exclude certain awards from a periodic review requirement.

Following a subsequent Council Committee meeting in October 2002, the Council endorsed a pilot program proposed by the Chief Administrative Officer to post the non-competitive award list online. The posting was intended to alert the public to the services that are currently contracted non-competitively and allow vendors to indicate possible interest in bidding on a given service. In this study, OLO and Council staff learned that OMB received about a 20 inquiries since the Designation List was posted online. Although DHHS does not have an internal mechanism to track these inquiries from OMB, DHHS believes none of these inquiries have triggered a bid process.

## **IX. RECOMMENDATIONS**

The County Government joins with many non-profit organizations to deliver a broad range of health and human services and community development activities. Non-profit organizations based in the community perform a wide range of functions, including direct service delivery, outreach, and advocacy.

This study by OLO and Council staff examined a significant subset of the County's practices that result in appropriating funds to non-profit organizations to provide health and human services and community development activities. Specifically, the review focused on practices associated with selecting and funding non-profit organizations through:

- The County programs for Community Service Grants, Community Empowerment Grants, Community Development Block Grants, and Emergency Shelter Grants, and the Executive's Private Agency Requests; and
- The Non-Competitive Award Designation List, which is approved by the County Council as part of the annual budget process.

OLO and Council staff's review identified a range of current practices for advertising the availability of funding, soliciting and reviewing applications, selecting organizations for award, and negotiating service contracts. Each of the four grant programs operates with a reasonably well-defined competitive process for awarding funds. In comparison, there is not a well-defined or single process that results in organizations becoming identified for funding in the Non-Competitive Award Designation List.

Recognizing that the Council has bottom-line legal and fiscal authority over the Non-Competitive Award Designation List, it logically follows that the Council should establish policies surrounding its use. OLO and Council staff recommend that the Council consider:

- Creating a timed review process for entities named on the Non-Competitive Award Designation List;
- Establishing a mechanism to track the longevity of entities on the Non-Competitive Award Designation List;
- Removing entities from the Non-Competitive Award Designation List that were selected as the result of an open and competitive process, consistent with a policy established in 2000; and
- Reserving the use of the Non-Competitive Award Designation List as the option of last resort among the methods for a non-competitive procurement established in County law and regulations.

In addition, OLO and Council staff recommend that the Council examine the feasibility of establishing a County grant award for the health and human services and community development arena similar to those recently established for the Partnership Grants for Arts/Humanities and Recreation (GAHR).

**RECOMMENDATION #1. Ask the Chief Administrative Officer for a revised strategy and timeline to put in place a process to assure that non-competitive awards identified in a grant resolution approved by the Council receive periodic reviews, consistent with Council policy adopted in 2000.**

Council Resolution 14-490, adopted in 2000, established a policy that “the County Executive put in place a process to assure that non-competitive contracts receive periodic reviews, particularly for those goods or services that are procured through a non-competitive contract in multiple years.” Following the adoption of this Resolution, the Council endorsed the Chief Administrative Officer’s proposal to post the Non-Competitive Award Designation List on the website as an alternative to implementing a timed review and to defer action on implementing a timed review until the results of the pilot program were available.

OLO and Council staff found that less than a dozen vendors contacted the County and no solicitations were initiated since the Non-Competitive Award Designation List was posted. Given these results, OLO and Council staff recommend that the Council ask the Chief Administrative Officer to recommend a review process or strategy that:

- Determines if a competitive process (or different non-competitive process) should be used to procure the desired goods or services;
- Proposes criteria for deciding how often the evaluation should occur; and
- Recommends a schedule for periodic evaluation of the organizations listed on the Non-Competitive Award Designation List.

**Decide approach to implementing timed review.** OLO and Council staff suggest that the Council provide guidance to the CAO about whether to implement the timed review for all entities on the Non-Competitive Award Designation List, as envisioned in Resolution 14-490, or to begin with the entities that partner with the County to deliver health, human services, and community development activities, which were the focus of this study.

The advantages of a uniform approach are that it would establish practices and criteria for all entities on the list and focus County resources to assure timed reviews for the highest value contracts, for example, by setting minimum threshold amounts. Alternatively, an approach that targeted DHHS and DHCA entities would offer the Council the opportunity to use the Non-Competitive Award Designation List as a vehicle to establish different

sets of expectations and award instruments for non-profits, taking into account the diverse roles and responsibilities of the County's non-profit community partners.

**RECOMMENDATION #2. Modify the Non-Competitive Award Designation List to track the year an entity (with its associated service activity) originally appeared in the List.**

OLO and Council staff's review of the entities on the Non-Competitive Award Designation List found that information about the year an entity was first named to the Designation List was not readily available.

OLO and Council staff recommend that in FY 06, the Council add a field to the list of award designees for DHHS and DHCA on the Non-Competitive Award Designation List to track the year an entity (with its associated service activity) first appeared in the Designation List. This action will improve the Council's ability to track the history of entities in the Non-Competitive Award Designation List for future awards. Ideally, beginning with the FY 06 budget process, the Designation List would include historical information going back at least five fiscal years and the field would apply to the entire list. Recognizing that not all of this historical data are readily available, staff suggests that the Council ask the Chief Administrative Officer to recommend how many years back would be reasonable for the Council to ask for in the Non-Competitive Award Designation List, beginning in FY 06.

**RECOMMENDATION #3. Consistent with the policy that the Council adopted in 2000, examine whether three additional groups of entities could be removed from the Designation List because each group has a selection process that has open or competitive characteristics.**

Council Resolution 14-490, adopted in 2000, established a policy that vendors who were designated for non-competitive status as the result of a process that had competitive selection characteristics should no longer be listed on the Non-Competitive Award Designation List. At that time, Council removed four sets of awards from the Resolution. (For details, see page 13)

OLO and Council staff's review of DHHS' entities on the approved FY 05 Non-Competitive Award Designation List identified a similar set of circumstances for three additional groups of providers (38 entities). They are:

- County supplements to providers of services to adults with developmental disabilities (26 entities). The County distributes these funds to any provider receiving State funds for the services according to a formula.
- County supplements to providers of residential rehabilitation and psychiatric rehabilitation services to adults with mental illness (seven entities). The County

distributes these funds to any provider receiving State funds for the services according to a formula.

- County awards of State Cigarette Restitution Funds (CRF) to all County hospitals (five entities) in equal amounts.

In each case, the process that DHHS follows to designate these organizations for non-competitive award status provides funds to all existing, qualified providers on an equal or formula driven basis. OLO and Council staff recommend that the Council ask the Chief Administrative Officer to examine whether the Council could similarly act to remove these groups of providers from the Non-Competitive Award Designation List, consistent with the Council policy established in Resolution 14-490.

**RECOMMENDATION 4. Consider reserving the use of the Non-Competitive Award Designation List as the option of last resort among the four non-competitive award methods already established in law and practice.**

As reviewed in Chapter VI (see page 40), the County's procurement law and regulation state that a non-competitive procurement must meet one or more of four justifications. The Office of Management and Budget's guidelines, as outlined in the budget preparation manual, advise that being named by the Council in the Non-Competitive Award Designation List should be used as an option of last resort. OLO and Council staff's review of the written justifications for the entities on the FY 05 Non-Competitive Award Designation List suggests that OMB's guidelines are not consistently followed. (See pages 43 and 50 for details).

OLO and Council staff recommend that the Council consider adopting OMB's guideline as part of the Council's formal policy governing use of the Non-Competitive Award Designation List. Once fully implemented, this would reserve use of the Designation List for entities that do not qualify for award via alternative procurement mechanisms already established in law and practice.

There are pros and cons of making this change that the Council should discuss before taking a final action. On the positive side, reserving the Non-Competitive Award Designation List as a method of last resort would help maintain the integrity of the procurement categories and route more awards through established processes that have standardized oversight and review components. However, the potential negatives are that it would reduce flexibility in executing non-competitive contracts quickly, and could have staffing resource implications to accomplish the alternative procurement processes.

If the Council decides to incorporate OMB's guideline into a formal Council policy, then staff recommends the Council ask the Chief Administrative Officer to have OMB review the entities listed in the Non-Competitive Award Designation List with the Using Departments, and recommend which ones should be removed from the Resolution

because they legitimately belong in one of the other categories designated in the procurement law.

**RECOMMENDATION #5. Examine the feasibility of establishing a County grant award in the health and human services and community development arena with characteristics similar to the awards recently established for the Partnership Grants for Arts/Humanities and Recreation (GAHR).**

Current law and practice governing the selecting and funding of non-profit organizations in the health and human services and community development arenas allow only for contract awards that reimburse providers for the contracted services delivered. In reality, however, some County funding is intended to support organizational growth in a desired sector, “jumpstart” a new or pilot initiative in the non-profit sector, or provide temporary funding support for an identified need in an organization. This is particularly true of the discretionary grants awarded by elected officials and currently incorporated into the Non-Competitive Award Designation List.

OLO and Council staff suggest that a grant award could provide a mechanism to accomplish these policy objectives. Grants would be awarded for one of the following purposes: establishing or supporting new and emerging non-profits; piloting new service initiatives or programs; or funding a new request that requires temporary funding support.

Grant awards would allow a clear reflection of both the policy intent of funding in these cases and would eliminate the need for a contractual connection to other County services and programs. In addition, grant awards would potentially reduce the administrative burden of the contracting process for both the recipient organization and the County.

The Council should ask the CAO to examine the feasibility of establishing grant awards for organizations that provide health and human services and community development activities. The CAO may want to consider the recent example of the Partnership for the Arts and Humanities grants. Characteristics of grant awards would include:

- Established time and funding limits;
- Outcome expectations related to policy intent of funding, such as organizational growth and development, community empowerment activities, or successful implementation of new initiative; and
- Administration outside of a service department, by a grant resource office or position that would act as a resource for resolving issues related to new and emerging organizations and initiatives.

## **X. COUNTY GOVERNMENT COMMENTS**

The Office of Legislative Oversight circulated a final draft of this report to Montgomery County Government for review and comment. This final report incorporates all of the technical corrections provided by County Government staff.

Written comments from the Chief Administrative Officer are included in their entirety beginning on the following page. OLO and Council staff agree with the Chief Administrative Officer's comments that additional research and analysis is needed to carefully address the issues this report raises. OLO and Council staff greatly appreciate the work of the County Government staff who reviewed the draft report.



OFFICES OF THE COUNTY EXECUTIVE

Douglas M. Duncan  
*County Executive*

Bruce Romer  
*Chief Administrative Officer*

MEMORANDUM

January 27, 2005

TO: Karen Orlansky, Director  
Office of Legislative Oversight

FROM: Bruce Romer, Chief Administrative Officer 

SUBJECT: Office of Legislative Oversight Report 2005-1  
A Study of the County Government's Selection and Funding Practices for Human Services and Community Development Grant Awards

This memorandum is to communicate our general comments on the findings and recommendations of OLO Report 2005-1, A Study of the County Government's Selection and Funding Practices for Human Services and Community Development Grant Awards. As usual, OLO has produced a very thorough and well researched study of the Executive's grant process for Human Service and Community Development Grant Awards. In particular we want to recognize the excellent work and collaborative working style of Sue Richards and Essie McGuire throughout this project.

Executive Branch staff has already been in contact with OLO with comments on the technical aspects and information in the report. In general, we concur with the findings and recommendations in this report with the following comments:

- We believe additional work is needed to ensure that a competitive process for County procurements should be used when the market would support such competition. However, we do want to stress that expanding the number of competitive solicitations will create an additional workload for staff and may require additional resources.
- While we support a periodic review of entities and services on the Council Resolution approving the Designation of Entities for Non-Competitive Contract Award, additional research and analysis is needed before we can recommend a specific cycle for that review.



Karen Orlansky  
January 27, 2005  
Page 2

- The OLO Report was a thorough study of the Executive Branch's award process for certain grants, we understand that the Council will conduct a similar review of its own grant award process.
- We will seek the County Attorney's review of whether entities that receive contract awards pursuant to State funding formulas or the Cigarette Restitution Fund (Recommendation #3) satisfy the Procurement Regulations requirement of a competitive process such that they could be removed from the approved list of Designation of Entities for Non-Competitive Contract Award.

We look forward to working with Council in its review of this report.

copies:

Carolyn Colvin, Department of Health and Human Services  
Elizabeth Davison, Department of Housing and Community Affairs  
Beatrice Tignor, Office of Procurement  
Charles Thompson, Office of the County Attorney  
Beverley Swaim-Staley, Office of Management and Budget  
Jerry Pasternak, Offices of the County Executive  
Saralee Todd, Offices of the County Executive  
Joseph F. Beach, Offices of the County Executive

## **OLO REPORT 2005-1**

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## Section G

**Designation of Entities for Non-Competitive Contract Award**

## Entity

**Correction and Rehabilitation**

Shady Grove Adventist Hospital	Provides hospital treatment of inmates	\$850,000
Shady Grove Radiological Consultants, PA	Provides x-rays of inmates	\$55,000

**Economic Development**

Career Transition Center	Provides Montgomery Works One Stop Career Center	\$4,060,117
Conference and Visitors Bureau	Promotes tourism in Montgomery County	\$634,650
CoStar Realty Information, Inc.	Provides on-line real estate information to the business community in Montgomery County	\$20,000
Maritime Technology Alliance	Promotes maritime interests and institutions in the Carderock area of Montgomery County	\$15,000
Maryland Small Business Development Center	Provides counseling to small business	\$50,000
Montgomery County Weed Control	Provides spraying of public lands and rights of ways	\$10,000
Montgomery Work-Life Alliance	Provides an awareness campaign to businesses to implement work/life practices and policies	\$75,000
Technology Council of Maryland	Promotes the growth of technology	\$21,100
University of Maryland Law School	Provides education on the information flow of intellectual property issues	\$80,000

**Health and Human Services**

Abilities Network (Epilepsy)	Promotes normalization of persons with developmental disabilities	\$63,769
Adventist HealthCare, Inc.	Provides assisted living services for mentally ill adults	\$594,740
Adventist HealthCare, Inc.	Provides capital funds for children's inpatient psychiatric services	\$125,000
Adventist HealthCare, Inc. (formerly Shady Grove Adventist Health)	Provides medical day care for two young adults with developmental disabilities	\$37,000
Adventist HealthCare/Shady Grove Hospital	Provides cancer screening and education services	\$250,000
Adventist HealthCare/Washington Adventist Hospital	Provides cancer screening and education services	\$250,000
African Immigrant and Refugee Foundation	Provides tutoring and mentoring	\$20,000
African-American Festival of Academic Excellence	Provides awards given to high achieving African-American students	\$15,000

## Section G

## Designation of Entities for Non-Competitive Contract Award

**Entity**

Anchor Mental Health Association	Provides technical assistance in development of housing for adults with mental illness	\$60,000
ARC of Montgomery County	Provides after school and summer respite care for children with disabilities	\$50,000
ARC of Montgomery County	Promotes normalization of persons with developmental disabilities	\$1,170,913
Best Buddies International, Inc.	Provides mentoring activities for persons with developmental disabilities	\$28,575
Bethesda Cares	Provides outreach services for homeless persons living in the Bethesda area	\$38,654
Caribbean Help Center	Provides services to the low-income French Creole community	\$30,000
Caroline Center	Promotes normalization of persons with developmental disabilities	\$62,394
CASA of Maryland, Inc.	Provides rental space for school-based services	\$50,000
CASA of Maryland, Inc.	Provides employment, training and supportive services to multicultural residents	\$280,689
CASA of Maryland, Inc.	Provides for a community center at Pine Ridge apartments	\$80,000
Catholic Charities	Provides health outreach and service delivery for elderly persons	\$48,230
Catholic Charities	Provides families with emergency assistance and crisis resolution	\$42,010
Catholic Charities	Provides assessment, case coordination, and linkages with community services	\$50,000
Catholic Charities	Provides for one-time relocation costs to a new multi-cultural service center	\$35,000
Catholic Charities	Provides supportive services and training to vulnerable families	\$84,863
Centro Familia	Provides training for Spanish speaking child care providers	\$60,000
CHI Centers, Inc.	Promotes normalization of persons with developmental disabilities	\$791,695
Chimes	Promotes normalization of persons with developmental disabilities	\$136,895
Christian Assisted Living for People with Mental Retardation	Promotes normalization of persons with developmental disabilities	\$101,169

## Section G

## Designation of Entities for Non-Competitive Contract Award

Entity		
Community Bridges	Promotes empowerment and leadership development programs to adolescent girls from low-income families	\$47,940
Community Connections, Inc.	Provides residential rehabilitation services	\$120,034
Community Ministry of Montgomery County	Provides a clothing distribution center	\$15,565
Community Ministry of Montgomery County	Provides emergency services, including eviction prevention, utilities help	\$46,582
Community Ministry of Montgomery County	Provides multi-service day center for homeless persons	\$554,549
Community Support for Autistic Adults and Children (CSAAC)	Promotes normalization of persons with developmental disabilities	\$891,529
Community Support Services	Promotes normalization of persons with developmental disabilities	\$593,062
Computer Learning & Resource Center, Inc.	Provides vocational training program in computer skills	\$175,732
Court Appointed Special Advocate, Inc. (CASA)	Provides court advocacy services for children in the child welfare system	\$100,086
Dwelling Place, Inc.	Provides transitional housing and supportive services to female-headed, single parent homeless families	\$11,789
Family Learning Solutions, Inc.	Provides after school services in the Rosemary Village Cooperative	\$50,000
Family Service Foundation	Promotes normalization of persons with developmental disabilities	\$37,502
Family Services Agency of Montgomery County, Inc.	Provides residential rehabilitation services for adults with serious and persistent mental illnesses	\$198,100
Florence Crittenton Services of Greater Washington	Provides life skills and pregnancy prevention services for adolescent girls	\$10,000
Food and Friends	Provides meal service delivery to individuals with life threatening illnesses	\$34,000
Full Citizenship	Promotes normalization of persons with developmental disabilities	\$236,845
George B. Thomas Learning Academy	Provides tutoring and mentoring	\$400,000
Great Strides Therapeutic Riding	Provides therapeutic riding for persons with mental illness and other disabilities	\$20,000
GUIDE Program, Inc.	Provides residential services for transition-aged youth	\$139,926

## Section G

## Designation of Entities for Non-Competitive Contract Award

### Entity

Head Injury Rehabilitation and Referral Services (HIRRS)	Promotes normalization of persons with developmental disabilities	\$188,460
Head Injury Rehabilitation and Referral Services (HIRRS)	Provides case management services for persons with traumatic head injuries	\$18,244
Hearts and Homes for Youth	Provides aftercare services to individuals discharged from Open Door Shelter Home, and counseling and intervention services to potential runaways and individuals at risk of out of home placement	\$34,644
Holy Cross Hospital	Provides comprehensive prenatal clinical care	\$846,000
Holy Cross Hospital	Provides cancer screening and education services	\$250,000
Hospice Caring, Inc.	Provides volunteer visits to terminally ill individuals and their families	\$10,000
Impact Silver Spring	Provides community involvement and leadership programs	\$89,000
Independence Now, Inc.	Provides independent living skills training, peer counseling and information and referral services for persons with disabilities	\$50,162
Interages, Inc.	Provides a resource center focusing on intergenerational programs and resources	\$51,440
Jewish Coalition Against Domestic Abuse	Provides office equipment	\$8,000
Jewish Community Center (JCC)	Provides transportation services for visually impaired senior citizens	\$3,615
Jewish Community Council of Greater Washington	Provides information and assistance in Russian for new immigrants	\$20,000
Jewish Council for the Aging	Provides a senior aide employment program	\$39,282
Jewish Council for the Aging	Provides a wheel chair accessible bus	\$65,000
Jewish Federation of Greater Washington	Provides for the Naturally Occurring Retirement Communities (NORC) demonstration project	\$200,000
Jewish Foundation for Group Homes, Inc.	Provides for the purchase of two new vans	\$40,000
Jewish Foundation for Group Homes, Inc.	Provides group home services for an adult with serious and persistent mental illness	\$34,290
Jewish Foundation for Group Homes, Inc.	Promotes normalization of persons with developmental disabilities	\$349,469
Jewish Social Services Agency, Inc. (JSSA)	Provides mental health and substance abuse services to low/moderate-income children and their families	\$48,482

## Section G

## Designation of Entities for Non-Competitive Contract Award

Entity		
Jewish Social Services Agency, Inc. (JSSA)	Promotes normalization of persons with developmental disabilities	\$29,789
Jewish Social Services Agency, Inc. (JSSA)	Provides a case management database	\$30,000
Jewish Social Services Agency, Inc. (JSSA)	Provides case management services for frail seniors	\$28,872
Jewish Vocational Services	Promotes normalization of persons with developmental disabilities	\$25,298
Jubilee Association	Promotes normalization of persons with developmental disabilities	\$319,584
Jubilee Association	Provides case management services for homeless persons and/or persons in crisis with developmental disabilities	\$51,010
Korean American Senior Citizen's Association of Maryland	Provides home helper services	\$25,000
Legal Aide Bureau	Provides legal representation and consultation to senior citizens	\$76,830
Lt. Joseph P. Kennedy Institute, Inc.	Promotes normalization of persons with developmental disabilities	\$201,440
Lt. Joseph P. Kennedy Institute, Inc.	Promotes normalization of persons with developmental disabilities	\$335,794
Lt. Joseph P. Kennedy Institute, Inc.	Provides after school care for children, teens and young adults with multiple disabilities	\$64,348
Lt. Joseph P. Kennedy Institute, Inc.	Provides autism waiver program	\$20,000
Lt. Joseph P. Kennedy Institute, Inc.	Provides after school care and services for children, teens and young adults with multiple disabilities	\$92,922
Lt. Joseph P. Kennedy Institute, Inc.	Provides for the purchase of a new van	\$35,000
Luther Rice Neighborhood Center	Provides an after school program	\$10,000
Manna Food Center	Provides food distribution services to low income residents	\$175,275
Maryland Treatment Center, Inc. D/B/A Mountain Manor	Provides mental and emotional health treatment and substance abuse services for delinquent youth	\$347,000
Medsource	Promotes normalization of persons with developmental disabilities	\$40,686
Mental Health Association of Montgomery County, Maryland, Inc.	Provides a community family support center for at-risk parents	\$50,500
Mental Health Association of Montgomery County, Maryland, Inc.	Provides community based education and advocacy programs	\$71,400

## Section G

## Designation of Entities for Non-Competitive Contract Award

**Entity**

Mental Health Association of Montgomery County, Maryland, Inc.	Provides transportation for mental health consumers	\$50,000
Mental Health Association of Montgomery County, Maryland, Inc.	Provides the suicide prevention hotline	\$94,985
Mental Health Association of Montgomery County, Maryland, Inc.	Provides crisis preparedness services	\$35,000
Mental Health Association of Montgomery County, Maryland, Inc.	Provides case management services for the Shelter-Plus Care Program	\$185,020
Mental Health Association of Montgomery County, Maryland, Inc.	Provides community based, alternative, school suspension programs	\$293,910
Mental Health Association of Montgomery County, Maryland, Inc.	Provides a partnership with Department of Health and Human Services (DHHS) and Montgomery County Child Care Resource and Referral Center (MCCCR & R) to support the Early Childhood Initiative	\$705,000
Mental Health Association of Montgomery County, Maryland, Inc.	Provides Bridges to PALS program, and mentoring services to children in foster care	\$59,813
Metropolitan Washington Ear	Provides radio broadcast and supportive services to individuals who are visually impaired	\$49,650
Mid-County United Ministries (MUM)	Provides emergency services, including eviction prevention, and utilities assistance	\$16,561
Migrant and Refugee Cultural Support	Provides assisting immigrants who are victims of domestic violence	\$45,000
Mobile Medical Care, Inc.	Provides for the repair and upgrade of the medical van	\$20,000
Mobile Medical Care, Inc.	Provides sick care and other non-emergency medical services to medically under-served, uninsured, and/or financially disadvantaged adults	\$83,313
Montgomery County Bar Foundation, Inc.	Provides pro-bono legal services to low-income individuals	\$45,050
Montgomery County Coalition for the Homeless	Provides Safe Havens for homeless mentally ill men and women	\$210,166
Montgomery County Coalition for the Homeless	Provides Hope Housing, supported housing program	\$83,740
Montgomery County Coalition for the Homeless	Provides Gude Drive Men's Shelter	\$436,249
Montgomery County Coalition for the Homeless	Provides Seneca Heights Apartments	\$511,720

## Designation of Entities for Non-Competitive Contract Award

Entity		
Montgomery County Federation of Families for Children's Mental Health, Inc.	Provides family support to improve the mental wellness of children, youth and families with emotional challenges. Allows County to comply with SAMHSA grant for FY05.	\$103,354
Montgomery County Language Minority Health Project, Inc.	Provides medical clinic and health education services to uninsured, language-minority residents	\$89,318
Montgomery County Volunteer Dental Clinic	Provides dental treatment services for eligible adults	\$81,600
Montgomery General Hospital	Provides cancer screening and education services	\$250,000
National Alliance for the Mentally Ill of Montgomery County (NAMI)	Provides training and educational services for families of persons with mental illnesses	\$7,500
National Center for Children and Families	Provides shelter and supportive services to homeless families at the Greentree Shelter	\$32,798
National Children's Center	Promotes normalization of persons with developmental disabilities.	\$8,365
On Our Own of Montgomery County, Maryland	Provides self-help, drop in center for adults with mental illnesses	\$208,000
Our House	Provides renovations for youth residential program	\$25,000
Outcomes Neuro Treatment Learning Center	Promotes normalization of persons with developmental disabilities	\$85,992
Planned Parenthood, M.W., Inc.	Provides comprehensive reproductive health care services to low-income, indigent women	\$285,000
Potomac Community Resources C/O Our Lady of Mercy	Provides community participation for persons with developmental disabilities	\$10,000
Primary Care Coalition of Montgomery County, Inc.	Provides the Rewarding Work Health Care Program for adults	\$1,803,950
Primary Care Coalition of Montgomery County, Inc.	Provides the Care for Kids Health program	\$984,740
Primary Care Coalition of Montgomery County, Inc.	Provide medication to clinic patients	\$350,000
Primary Care Coalition of Montgomery County, Inc.	Provides for Electronic Record Management System	\$100,000
Primary Care Coalition of Montgomery County, Inc.	Provides pharmaceutical support services for low income persons with mental illnesses	\$80,000
Primary Care Coalition of Montgomery County, Inc.	Provides community-based Minority Outreach and Health Education Services	\$1,000,000
Red Wiggler Community Farm	Provides capital improvements at a new site	\$20,000
Reginald S. Lourie Center for Infants and Young Children	Provides services to children and families served by Child Welfare Services	\$40,000

## Section G

## Designation of Entities for Non-Competitive Contract Award

**Entity**

Reginald S. Lourie Center for Infants and Young Children	Provides therapeutic nursery services and mental health support services for emotionally disturbed preschool children	\$183,210
Rehabilitation Opportunities, Inc.	Promotes normalization of persons with developmental disabilities	\$81,747
Rock Creek Foundation, Inc.	Provides residential rehabilitation services for adults with serious and persistent mental illnesses	\$75,040
Rock Creek Foundation, Inc.	Promotes normalization of persons with developmental disabilities	\$209,560
Rock Creek Foundation, Inc.	Provides vocational training for homeless mentally ill adults	\$20,000
Rock Creek Foundation, Inc.	Provides residential program for head-injured adults and persons with serious and persistent mental illnesses	\$209,560
Rockville Presbyterian Church, Rainbow Shelter	Provides a women's emergency shelter	\$13,644
Rosemary Hills Community School	Provides for rental space for school based services	\$10,000
Secure Care Services, Inc.	Promotes normalization of persons with developmental disabilities	\$317,640
Services for Visually Impaired (formerly Volunteers for the Visa)	Provides supportive services for individuals with visual impairments	\$83,478
Shepherd's Table, Inc.	Provides soup kitchen and supportive services for homeless persons	\$115,624
Silver Spring Team for Children and Families, Inc.	Provides foreign Student Center in Rosemary Hills community	\$31,000
Silver Spring Team for Children and Families, Inc.	Provides after school programs for middle school youth in the Rosemary Hills community	\$77,740
Spanish Catholic Center, Inc.	Provides a nurse administrator	\$32,000
Spanish Catholic Center, Inc.	Provides the English as a Second Language (ESOL) program	\$22,000
Spanish Catholic Center, Inc.	Provides primary health care services for non-English speaking, indigent residents	\$51,510
Spanish Catholic Center, Inc.	Provides a case worker	\$10,000
St. Luke's House, Inc.	Provides residential rehabilitation services for adults with serious and persistent mental illnesses	\$309,150
St. Luke's House, Inc.	Provides vocational training, supported employment and education programs for severely emotionally disturbed adolescents	\$129,340
Suburban Hospital	Provides cancer screening and education services	\$250,000

## Designation of Entities for Non-Competitive Contract Award

### Entity

Supported Employment Enterprises Corporation (SEEC)	Promotes normalization of persons with developmental disabilities	\$276,081
Target	Promotes normalization of persons with developmental disabilities	\$126,496
The People's Foundation (People's Community Baptist Church)	Provides clinical services under the African American Health Program	\$620,500
The Senior Connection (TSC)	Provides interfaith care-giving program that serves elderly persons	\$106,614
Threshold Services, Inc.	Provides residential services for adults with serious and persistent mental illnesses	\$321,160
TransCen	Provides for supported employment to young adults with disabilities	\$30,000
UpCounty Interfaith Clothing Center	Provides operating support	\$30,000
Victory Youth Centers, Inc.	Provides funding to support construction of a gymnasium, including space for persons with disabilities, the Conservation Corp, a day care center, and youth services center in Glenmont	\$500,000
Way Station	Provides respite care services for severely emotionally disturbed children and adolescents	\$100,000
YMCA of Metropolitan Washington (Bethesda)	Provides prevention, early intervention, and community development services to middle and high school aged youth	\$52,522
YMCA of Metropolitan Washington (Silver Spring)	Provides a community center in the Carroll Avenue apartments	\$37,893

### Housing and Community Affairs

CASA of Maryland, Inc.	Expands economic development opportunities for Hispanic residents of Long Branch	\$150,000
CASA of Maryland, Inc.	Provides tenant counseling, outreach, and education services to Hispanic residents of Long Branch	\$150,000
Community Ministry of Montgomery County	Promotes formerly homeless households to self-sufficiency through transitional housing	\$30,000
Housing Unlimited, Inc.	Provides Community Housing Development Organization (CHDO) operating funds	\$32,850
Korean American Association of Maryland	Provides social services program	\$30,000
Korean American Association of Maryland	Provides computer training	\$20,000
Korean American Association of Maryland	Provides English training	\$40,000

## Designation of Entities for Non-Competitive Contract Award

### Entity

Korean Community Service Center of Greater Washington	Provides senior health and mental health outreach	\$45,000
League of Korean Americans	Provides outreach, training, and education	\$40,000
Long Branch Athletic Association, Inc.	Provides out-of-school program for youth in the Long Branch community	\$30,000
Montgomery County Historical Society	Maintains Montgomery County's research library and museums	\$54,500
Montgomery Housing Partnership, Inc.	Provides support to owners of small rental properties in the Long Branch, Takoma Park, and Silver Spring areas of Montgomery County	\$150,000
Montgomery Housing Partnership, Inc.	Promotes targeted neighborhood revitalization and housing	\$100,000
Montgomery Housing Partnership, Inc.	Provides Community Housing Development Organization (CHDO) operating support	\$97,000
Rebuilding Together Montgomery County	Provides Christmas/Sukkot in April	\$25,000
Top Banana	Provides grocery service for low-income seniors	\$20,000
Washington Chiefs Youth Service Organization	Provides mentoring program	\$15,200
Washington Youth Foundation	Provides an after school program and family counseling	\$45,000

### Police

Montgomery County Humane Society, Inc.	Manages and operates the Animal Shelter	\$1,385,280
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### Public Libraries

Literacy Council of Montgomery County, Maryland	Provides literacy tutoring	\$128,908
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### Public Works and Transportation

ARC of Montgomery County	Provides cleaning services for County fuel sites	\$9,620
Graffiti Abatement Partners (GRAB)	Provides graffiti abatement	\$15,000
Jewish Community Council of Greater Washington	Provides for event security	\$25,000
Jewish Council for the Aging	Provides Connect-A-Ride transportation	\$95,000
Jewish Federation of Greater Washington	Design an emergency preparedness plan	\$35,000
Transportation Action Partnership, Inc.	Facilitates traffic management and addresses air quality concerns	\$489,250

## Designation of Entities for Non-Competitive Contract Award

Entity

### Recreation

AFI Silver Theatre	Provides operating support	\$325,000
Alpha Phi Alpha Fraternity, IUL	Provides renovation and rehabilitation of the Snuthville School Museum	\$52,500
Baltimore Symphony Orchestra	Provides operating support for transition into Strathmore Hall	\$350,000
Imagination Stage	Provides for rent and utilities and transition to new facility	\$410,000
Menare Foundation	Provides for rehabilitation of the Button Farm as a living history site	\$15,000
National Capital Trolley Museum	Provides for fire protection for existing buildings	\$53,680
National Philharmonic	Provides transitional funding for Strathmore Hall	\$250,000
Olney Theatre	Provides for construction of new mainstage theater	\$250,000

### Regional Services Center - Bethesda-Chevy Chase

Glen Echo Park Partnership for the Arts and Culture, Inc.	Provides operating support at Glen Echo Park	\$100,000
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### Sheriff

Primary Care Coalition of Montgomery County, Inc.	Provides mental health services for children exposed to domestic violence	\$100,000
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### Technology Services

Montgomery Community Television, Inc. (MCT)	Produces and schedules two public access channels	\$2,050,000
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## MONTGOMERY COUNTY GRANT PROGRAMS

- Community Development Block • Cultural Facility Improvement
- Community Service • Community Empowerment

Alternative formats of this brochure are available for persons with special needs. TTY 240-777-3679

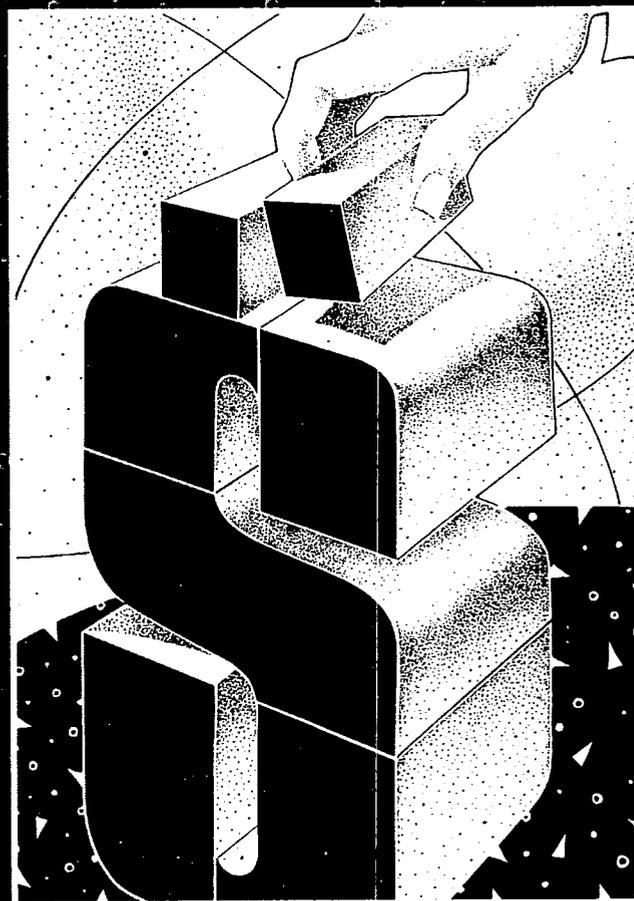


Montgomery County, Maryland  
Offices of the County Executive



## MONTGOMERY COUNTY GRANT PROGRAMS

- Community Development Block Grants
- Community Service Grants
- Community Empowerment Grants
- Cultural Facility Improvement Grants



**M**ontgomery County administers a variety of grant programs designed to promote our diverse needs as well as strengthen community relationships. These grants offer funds for activities ranging from First Night Montgomery to youth counseling. More specifically, Montgomery County offers grant funds to qualifying organizations for:

- the purchase of equipment such as telephones and computers by non-profit human service agencies;
- meeting community and economic development needs of our neighborhoods;
- promoting Arts and Humanities by supporting the County's many cultural organizations; and
- organizations delivering programs that seek to strengthen specific communities within the County

Prospective applicants may apply for any of the following grants for which they are eligible.\*

This brochure has been designed to give you more specific information on the various types of grant programs offered by Montgomery County.

\* Grant recipients must comply with all record-keeping and reporting required by the County. Grants are subject to audit.

# COMMUNITY DEVELOPMENT BLOCK GRANTS

## What's the Purpose of the Grant?

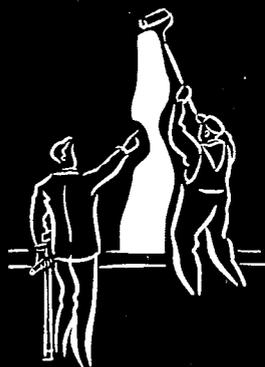
To provide funds that benefit low- and moderate-income persons and carry out a wide range of community development activities including neighborhood revitalization, economic development, and improved community facilities and services.

## Who's Eligible to Apply?

All not-for-profit agencies incorporated under 501(c) (3) of the Internal Revenue Code that plan to provide a new or expanded level of service to low- and moderate-income County residents.

## How Do I Apply?

(1) Call the Department of Housing and Community Affairs (DHCA) at 240-777-3600, ask for the Federal Programs section, and request a copy of the Fact Sheet and Funding Policy. (2) If, after reading the Fact Sheet and Funding Policy, you think your proposal would be eligible, then call DHCA at the above number to request an application. (3) Both the Fact Sheet and Funding Policy and the application may be downloaded directly from the DHCA web site: <http://www.co.mo.md.us/hca/commprog.htm>.



## What's the Criteria for Awarding the Grant?

The extent to which the proposal provides a substantial benefit to low- and moderate-income residents of Montgomery County.

## What's the Process?

Applications are reviewed by staff for eligibility, and then referred to an advisory committee comprised of members of the community who meet with applicants and make recommendations for funding. Recommendations are made to the County Executive with funding decisions made by the County Council as part of the County budget deliberations each Spring. See the Fact Sheet and Funding Policy for details.

## Is There a Maximum Grant Amount?

### How Competitive is this Grant?

There is no minimum or maximum grant amount. Funds awarded generally range from \$5,000 to \$75,000. Few grants are awarded for amounts in excess of \$50,000. The funding process is very competitive. Few applications are fully funded. Funding is generally available for no more than one third of the requests.



## Is there a Deadline? When Will I Receive Funding?

The application package will clearly state the date by which an application must be received. Applications are accepted once a year generally in mid-September. Funding is approved as part of the County's budget effective the following July, however, given the additional requirements of this grant program, a grantee generally receives an executed contract for funding the following September, one year after the initial application was received.

## May I Apply for Multi-Year Funding?

No; funds are awarded on a year-by-year basis. Once funded, you may receive funding for the same project for no more than three years. You are expected to identify other non-County sources of funds to continue your project after this time.



## May I Apply for More Than One Grant?

Yes; although not common, agencies have submitted more than one application to Community Development Block Grants during a single grant cycle if there is more than one project for which funding is being sought.

## What If I Have Questions?

Call DHCA and ask to speak to someone in the Federal Programs Section at 240-777-3600. A staff person will be pleased to assist you.

## COMMUNITY EMPOWERMENT GRANTS

### What's the Purpose of the Grant?

To offer one-time grants that promote direct service to community residents and enhance community pride, self-sufficiency, and community participation.

### Who's Eligible to Apply?

Montgomery County-based private, not-for-profit organizations that represent minority groups or others overcoming barriers to fuller participation in the community.

### How Do I Apply?

- (1) Call the Department of Housing and Community Affairs (DHCA) at 240-777-3600, ask for the Federal Programs section, and request an application for a Community Empowerment Grant. (2) General Information about the Empowerment Grant and the application may be downloaded directly from the DHCA web site: <http://www.co.mo.md.us/hca/commprog.htm>



### What's the Process?

Applications are reviewed by staff for eligibility and then given to an advisory panel for review. This panel makes recommendations to the County Executive with funding decisions made by the County Council as part of the County budget deliberations each spring.

### May I Apply for Multi-Year Funding?

No; funds are awarded on a year-by-year basis.

## COMMUNITY SERVICE GRANTS

### What's the Purpose of the Grant?

To provide one-time grants, primarily for capital purchases, that support health and human activities that contribute to a safe, healthy, and self-sufficient community.

### Who's Eligible to Apply?

All not for profit agencies, organizations, institutions, or associations in Montgomery County incorporated under 501(c) (3) of the Internal Revenue Code that offer human services related activities or programs.

### How Do I Apply?

- (1) Call the Department of Health and Human Services (HHS) at 240-777-1285, ask that your organization be placed on the mailing list for Community Services grant information. Your organization will be mailed information on the program as well as when the process will start or visit us on the web at <http://www.co.mo.md.us/services/hhs/grants/index.html>.



- (2) If, after reading the information, you think your organization would be eligible, then call (HHS) at the above number to request an application.

### What's the Process?

Applications are reviewed by the project facilitator for eligibility and then referred to a review panel, which includes both private citizen and public representation. Recommendations are made to the County Executive with funding decisions made by the County Council as part of the County budget deliberations each spring.

### **Is there a Deadline? When Will I Receive Funding?**

The application package will clearly state the date by which an application must be received. Applications are generally accepted to the end of November. Funding for grants will be generally announced by the end of May. If the proposal is funded, funds would be available after July 1.

### **What's the Criteria for Awarding the Grant?**

How the proposal would enhance community empowerment and pride. The experience and expertise of submitting organization on community empowerment. How the proposal would embrace the diversity of the County and strengthen its multicultural unity. The unique and innovative nature of the proposal.

### **May I Apply for More Than One Grant?**

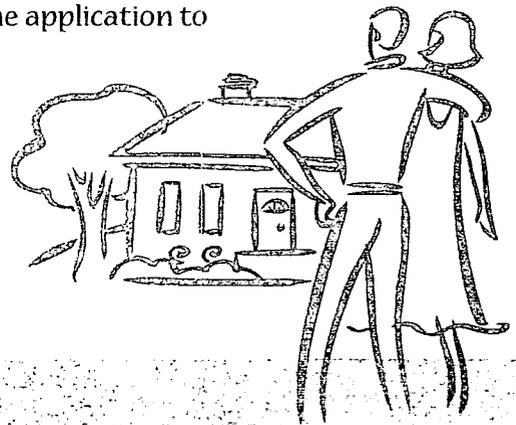
Yes; although not common, agencies have submitted more than one application to Community Empowerment during a grant cycle if there is more than one project for which funding is being sought.

### **Is There a Maximum Grant Amount?**

Yes. Grant amount is not to exceed \$25,000.

### **What If I Have Questions?**

Call DHCA and ask to speak to someone in the Federal Programs Section at 240-777-3600. A staff person will be pleased to assist you.



### **What's the Criteria for Awarding the Grant?**

The applicant must provide a human service that is deemed to be a public responsibility by the County government. The services of the applicant agency must fit into the overall human services delivery system and contribute to a safe, healthy, and self-sufficient community/client group. The applicant must demonstrate cooperation and collaboration with agencies providing similar services.

### **Is there a Deadline? When Will I Receive Funding?**

The application package will clearly state the date and time by which an application must be received. Applications are generally accepted to mid-Nov. If the proposal is funded, funds would be available after July 1.

### **May I Apply for Multi-Year Funding?**

No; funds are awarded on a year-by-year basis and must be used for a one-time only capital expenditure.

### **May I Apply for More Than One Grant?**

No; only one application per agency will be accepted each year for Community Service grants.

### **Is There a Maximum Grant Amount?**

Yes. Grant amount is not to exceed \$20,000.

### **What If I Have Questions?**

Call Health and Human Services at 240-777-1285. A staff person will be pleased to assist you.



# CULTURAL FACILITY IMPROVEMENT GRANTS

## **What's the Purpose of the Grant?**

To broaden public access to arts and humanities activities in the County. The Cultural Facility Improvements Grant Program is intended to provide one-time grant awards for capital improvements or equipment.

## **Who's Eligible to Apply?**

Organizations that provide a direct service to the citizens of Montgomery County or will bring Montgomery County-based arts to greater public attention.

## **How Do I Apply?**

(1) Contact the Montgomery County Department of Recreation at (240) 777-6820 OR

(2) Contact the Arts and Humanities Council of Montgomery County at (301) 215-7227 and inquire about the Cultural Facility Improvement Grants.

## **What's the Criteria for Awarding the Grant?**

The proposals will be judged based on the impact of the project in relation to the entire facility; the ability of applicant to carry out project; and the benefit of the proposal to the community. For requests of \$100,000 or above, the organization's business plan and a site visit will also be part of the review process.

## **What's the Process?**

Initial review by Project Facilitator for application and eligibility requirements. Applications are then forwarded to a Review Panel who review proposals for meeting grant criteria. The panel then makes recommendations to the County Executive with funding decisions made by the County Council as part of the County budget deliberations each spring.

## **Is there a Deadline? When Will I Receive Funding?**

The application package will clearly state the date by which an application must be received. Applications are accepted once a year generally in mid-October. If the proposal is funded, funds would be available after July 1.

## **May I Apply for Multi-Year Funding?**

No; grants are awarded for one year only. Organizations can apply again, but it must be for a different project or another phase of the same project.

## **May I Apply for More Than One Grant?**

No; applicants can apply for only one facility arts grant each year.

## **Is There a Maximum Grant Amount?**

There is no minimum or maximum grant amount.

## **What If I Have Questions?**

Call the Department of Recreation at 240-777-6820.

A staff person will be pleased to assist you.

Resolution No.:	<u>14-490</u>
Introduced:	<u>April 11, 2000</u>
Adopted:	<u>May 2, 2000</u>

County Council  
For Montgomery County, Maryland

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By: Management and Fiscal Policy Committee

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Subject: Fiscal Year 2001 Structure for Designating Entities for Non-Competitive Contract Award Status

Background

1. Section 11B-14(a)(4) of the County Code states that “a contract may be awarded without competition if the Chief Administrative Officer makes a written determination that the contract award serves a public purpose and a proposed contractor has been identified in a grant or appropriation resolution approved by the Council”. The result of this action is to provide a non-competitive contract award status to certain vendors.
2. In Fiscal Year 2000, and in previous fiscal years, the Council has approved a resolution titled, “Designation of Entities for Non-Competitive Contract Award” at the same time or shortly after it approved the County Government Operating Budget. This resolution stated the Chief Administrative Officer’s determination that the proposed contract awards serve a public purpose and listed the proposed providers, the proposed funding for each contract, and the purpose of each award.
3. At its December 13, 1999 worksession, the Management and Fiscal Policy Committee reviewed several issues regarding designating entities for non-competitive awards, including whether the requirements of the County Code are more fully met by incorporating the designation into the County Government Operating Budget Resolution, the specification of dollar amounts and purposes for proposed contracts, whether many awards currently included in the designation resolution are in fact competitive awards or reimbursements, the need for periodic review of non-competitive contracts, and the need to specify the intent for funds approved for certain negotiated inflationary adjustments.
4. The Management and Fiscal Policy Committee recommends that the Council approve the following actions to amend the designation process. The Management and Fiscal Policy Committee will continue to monitor these issues and evaluate these changes and may bring additional recommendations to the Council if needed.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

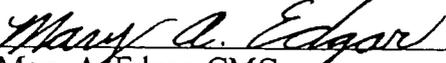
1. The designation of entities for non-competitive contracts will be approved as a part of the County Government Operating Budget Resolution.
2. Resolutions approving emergency or supplemental appropriations during the fiscal year will specify if the funds are designated for a non-competitive contract and the proposed vendor. If a designation is approved by the Council, the original designation list is automatically amended.
3. The list of designated entities will continue to include a dollar amount for each non-competitive award. These amounts are estimates only and should not be interpreted as the amount that must be granted. An amendment to the designation list is required when the award exceeds the estimate by ten percent or \$25,000, whichever is smaller. However, an amendment is not required if the award exceeds the estimate by less than \$5,000.
4. The list of designated entities will continue to include a purpose statement for each non-competitive contract. A change in purpose requires an amendment to the approval resolution.
5. The list of designated entities should include only proposed non-competitive contracts. Competitive grant awards such as Community Development Block Grants, Community Empowerment Grants, and Community Service grants will no longer be included in the list because these awards are the result of a competitive process. The Council requests the Chief Administrative Officer or a designee to provide a list of such grants.
6. The listing of designated entities for non-competitive contracts will not include estimated reimbursement for eligible services. While amounts and vendors for these services have been previously included in the non-competitive contracts list, they do not reflect a non-competitive contract award.
7. The Council recommends that the County Executive put in place a process to assure that non-competitive contracts receive periodic reviews, particularly for those goods or services that are procured through a non-competitive contract in multiple years. The review process should determine if a competitive process should be used to procure the desired goods or services. The Council encourages the County Executive to explore whether other mechanisms, such as a memorandum of understanding, should be approved and used in certain long-term arrangements, such as the provision of human services by non-profit organizations.

Resolution No. 14-490

Page 3

8. If funds are included in the operating budget for a negotiated inflationary adjustment for eligible contracts, the approval resolution will include a budget provision stating the amount and purpose of these funds.

This is a correct copy of Council action.

  
\_\_\_\_\_  
Mary A. Edgar, CMC  
Clerk of the Council

## APPENDIX 4

## FY 05 Locally Funded Competitive Community Service Grant Awards

	Organization	Description	Amount
1.	Cambodian Senior Association of Greater Washington	Purchase vehicle, computer, video equipment.	\$20,000
2.	Jewish Social Service Agency	Purchase dell server, HP laser printer, Dell PCs.	20,000
3.	Mercy Health Clinic	Purchase software, two computers and two printers.	14,800
4.	Mobile Medical Care, Inc.	Purchase nine Dell laptops, four printers and four faxphones.	19,920
5.	Muslim Community Center, Inc.	Purchase various medical equipment.	20,000
6.	Primary Care Coalition of Montgomery County, MD, Inc.	Purchase Microsoft Access software and one laptop.	2,000
7.	Rebuilding Together with Christmas in April, Montgomery County	Purchase Dell computers and Dell projector.	7,800
8.	Reginald S. Lourie Center for Infants and Young Children	Purchase learning tools, feeding scale, manuals, and camcorder.	17,500
9.	YMCA of Metropolitan Washington	Purchase seven computers, laptop, printers, and cables.	18,400
<b>TOTAL</b>			<b>\$140,420</b>

Source: OLO and FY 05 Approved Operating Budget.

**MONTGOMERY COUNTY**

**COMMUNITY SERVICES GRANTS PROGRAM**  
**TO SUPPORT ENHANCEMENT FOR**  
**HEALTH AND HUMAN SERVICE PROJECTS**  
**FY2005**

Montgomery County Executive Douglas M. Duncan is pleased to continue the Community Services Grant program, which provides one-time grants to non-profit agencies for the purpose of enhancing health and human service projects that contribute to a safe, healthy and self-sufficient community. This effort is intended to provide modest (maximum of \$20,000) singular grants that will assist non-profit organizations with one-time only capital purchases.

**I. PURPOSE AND DEFINITION**

Grants will fund projects that support health and human service activities in Montgomery County. Funded projects will include capital improvements (renovations or equipment) of a one-time only nature. Such activities should directly contribute to the following outcomes: safe, healthy and self-sufficient clients or community. Ongoing operating costs or funds to apply to deficits will not be considered eligible under this grants program. Grant funds are allocated to an organization in the form of a reimbursement, only after organization provides documentation verifying that it has purchased the project items delineated in the grant award.

All funded projects must originate and be completed between July 1, 2004 and June 30, 2005.

**II. ELIGIBILITY**

Any Montgomery County not-for-profit organization, institution or association providing health and human services is eligible to apply.

**III. DEADLINE AND CALENDAR**

- A. **Deadline for application is 3 p.m., Wednesday, November 5, 2003. Incomplete applications or those received after 3 p.m. will be considered ineligible. Fairness to all applicants prevents any exceptions.**
- B. **All Applications must be hand-delivered, and must be received by 3 p.m. Wednesday, November 5, 2003:** Deliver all applications to the Department of Health and Human Services, Office of the Director, 401 Hungerford Drive, 5<sup>th</sup> Floor, Rockville, Maryland 20850 ATTN: Debbie Bartlett. **Applications will be accepted only at the 5<sup>th</sup> Floor of 401 Hungerford Drive, and not at any other location.**

- C. Grant applications will be reviewed by the Department of Health and Human Services (DHHS) and funding will be awarded on July 1, 2004.
  - 1. Funded projects and expenditures of monies must occur between July 1, 2004 and June 30, 2005.

#### IV. APPLICATION AND FUNDING

- A. Applications must be typed and submitted on the appropriate forms with the required attachments. Failure to adhere to Grants Program Guidelines or provide the required attachments will result in the rejection of your application.
- B. Inclusion of in-kind services and or matching funds from other non-County sources are strongly encouraged. These services or matching funds may be defined as any resources that expand the impact of the grant funds.
- C. An organization may submit only one application per grant period and per organization. Only one group or organization may apply per year, including different branches of same organization.
- D. Applicants must provide eight (8) collated copies of the following information as attachments to their applications. This information must be page numbered, stapled or clipped together, and attached to each application. The information is listed as follows:
  - 1. Proof of applicant's not-for-profit and incorporation status.
  - 2. Financial statement for applicant's last complete fiscal year.
  - 3. Complete budget for applicant's current fiscal year (total organization budget).
  - 4. Current list of applicant's Board of Directors, including addresses and telephone numbers of each individual.
  - 5. Grant Application Checklist should be attached to the front of each copy.
- E. Narrative should clearly list all proposed items/services to be purchased, explain nature and purpose of items/services, and provide brief explanation of how purchase will contribute to safe, healthy and self-sufficient clients or community.

**All materials should be on 8 ½" x 11" paper.**  
**Do not submit in folders, plastic covers, binders, etc.**

#### V. SPECIAL CONSIDERATION

- A. The program will give special priority to projects that meet one or more of the following:
  - 1. Contribute to a safe, healthy and self-sufficient community.
  - 2. Have financial or in-kind support from other, non-County sources.
  - 3. Encourage/support innovative, efficient delivery of services/technology.

- B. The activity should not duplicate or supplant funding for any existing effort (in context and stated objectives).

## VI. SUPPORT RESTRICTIONS

- A. Grants will be awarded for projects in Montgomery County only. Organizations must operate in, and provide direct service to residents of Montgomery County. Organization headquarters can be outside of Montgomery County as long as organization demonstrates that the client population to be served by grant funds are Montgomery County residents.
- B. The program generally will not fund:
  1. Projects that have an existing deficit from a previous year or a previous project.
  2. Projects that will require more than a one-time grant award.
  3. Projects of an ongoing nature.
  4. Projects that are implemented before the start or after the close of the granting period.
  5. Personnel, operating or salary expenses of the organization.
  6. Replacement of lost federal, state, United Way or other funding.

## VII. EVALUATION CRITERIA

Applications will be reviewed against the following criteria:

- Applications will be judged on how well the grant funds will contribute to the County's health and human service outcome measures for a safe, healthy, self-sufficient community/client group and how the funds will add to the efficiency and effectiveness of the organization.
- Requested funds must be used for a capital expenditure (renovations, equipment, or technology improvements.)
- Applicant agencies must provide a human service that is deemed to be a public responsibility by County government. Services must be for the general benefit of the residents of the County. The intensity and quantity of need for the provided services must be demonstrated.
- Applications must demonstrate the effective use of volunteers whenever feasible.
- Applicant agencies must provide a program overview which indicates how the agency's services fit into the overall human services delivery system of Montgomery County and have a funding base which does not rely entirely on County grant funds.
- Applicant agencies must demonstrate cooperation and collaboration with agencies providing similar services.

- Applicant agencies must demonstrate effective resolution of any problem identified in previous financial audits.
- Applicants must be able to carry out the project.

## VIII. REVIEW PROCESS

Applications are subject to the following levels of review and review criteria:

- A. Project Facilitator – The Project Facilitator is responsible for initial analysis:
  1. Completeness of application.
  2. Legibility and clarity.
  3. Compliance with applicable guidelines, including the one-time only nature of the project.
  4. Fiscal accuracy.
  
- B. Grants Review Panel – The Grants Review Panel includes both private citizen and public representation. The Panel will be chaired by the Director of the Department of Health and Human Services or his designee. The Review Panel will review applications based on the following criteria:
  1. Evaluation criteria list in Section VII.
  2. Legibility and clarity.
  3. Compliance with applicable guidelines.
  4. Applicability to special considerations.
  
- C. Recommendations to the County Executive – The Review Panel presents its recommendations for awards to the Montgomery County Executive, who determines final approval and inclusion in the FY05 Recommended Operating Budget, based on the availability of funds. The final determination of awards is subject to County Council approval during its annual review of the FY05 budget.

## IX. GRANT CONTRACT

- A. Grantees will be required to:
  1. Sign a contract detailing terms with Montgomery County.
  
  2. Assure the County that they intend to comply with Title VII of the Civil Rights Act of 1964, indicating that no person will be excluded from participation or be denied the benefits of any program, activity or service on the basis of race, sex, sexual preference, color, religion, ancestry, age, national origin or handicap.

3. Acknowledgement must be given to Montgomery County in all publicity and in all promotional or informational materials used in connection with the funded project, i.e., programs, handbills, posters, radio and TV spots, etc.
  4. Submit to the County within 30 days of the completion of the project, a brief one-page summary of how the grant monies were used and how their use by the organization has contributed to the community outcomes of safety, health and self-sufficiency.
  5. Assure item(s) will be used solely for purpose outlined in application for a period up to two years after grant. If organization does not comply, all items will be returned to Montgomery County.
- B. The County must be made aware of outstanding grant applications currently under consideration or recent awards in connection with the same or similar project.
- C. The Application Review Panel may reject grant applications not complying with these guidelines.

**X. OTHER INFORMATION**

- A. All questions concerning guidelines and eligibility should be directed to Montgomery County Health and Human Services well in advance of application deadline. For more information, call Debbie Bartlett, Management Specialist, Montgomery County Department of Health and Human Services, at 240-777-1285.
- B. Applicants must submit eight (8) complete, collated copies of the application. Applicants are encouraged to retain one additional complete copy for their files and reference.
- C. Grant applications will be reviewed and grants announced by July 1, 2004.
- D. Grant funds will be disseminated consistent with the terms of the contract. No funds will be available prior to July 1, 2004. If your agency is funded, you are not permitted to be reimbursed for purchases made prior to July 1, 2004, even if those items are consistent with requests made in your organization's grant application.

**MONTGOMERY COUNTY GRANTS PROGRAM  
TO SUPPORT ENHANCEMENTS FOR  
HEALTH AND HUMAN SERVICE PROJECTS  
FY2005**

**READ PROGRAM GUIDELINES BEFORE COMPLETING THIS FORM.**

**GENERAL RULES:**

1. Late or incomplete grants will not be considered.
2. Applications must be typed.
3. All funded projects must occur between JULY 1, 2004 AND JUNE 30, 2005.
4. Grants are to fund capital expenditures of a one-time only nature.
5. A Montgomery County based non-profit organization, institution or association must sponsor projects that are implemented in Montgomery County, MD.
6. Any organization that is delinquent in payment owed to Montgomery County shall be ineligible to receive funds through this grant program.
7. Acknowledgement must be given to the Montgomery County government in all publicity and promotional materials.

**MONTGOMERY COUNTY GRANTS PROGRAM  
TO SUPPORT ENHANCEMENTS FOR  
HEALTH AND HUMAN SERVICE PROJECTS  
FY2005**

**FISCAL YEAR 2005 (July 1, 2004 – June 30, 2005)**

**I. APPLICANT/AGENCY INFORMATION:**

A. Organization/Agency Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Telephone Number(s): \_\_\_\_\_

Fax Number(s): \_\_\_\_\_

Executive Director/CEO: \_\_\_\_\_

Contact person if different from Executive Director: \_\_\_\_\_

Email address for Director and/or Contact: \_\_\_\_\_

Website address (URL) for organization: \_\_\_\_\_

B. Amount Requested: \_\_\_\_\_

C. Give a brief synopsis of your application in the space below:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## APPLICATION NARRATIVE

1. What is the mission of your agency? Please describe the programs and service of your agency, which support this mission statement. Please describe how your agency and services fit into the overall delivery of human services for Montgomery County. (Describe in one type written page or less. PLEASE DO NOT INCLUDE ATTACHMENTS, ANNUAL REPORTS, ETC.).
2. Specifically describe the project for which these grant funds will be used. Clearly list all proposed items/services to be purchased, explain nature and purpose of items/services, and provide brief explanation of how purchase will contribute to safe, healthy and self-sufficient clients or community.
3. Specifically describe the outcomes that will result from the expenditure of these grant funds. How do the outcomes relate to safe, healthy, and self-sufficient clients/community?
4. How will the outcomes be measured?
5. What innovative features, if any, are associated to the use of these funds?
6. How does this grant request fit into your overall agency budget? If your grant request is decreased by 3 percent – 5 percent, how will you accommodate this decrease to accomplish what you intend to do as described in Question 2?
7. Describe how these grant funds will be used in collaboration with other agencies, if appropriate.

## PROJECT BUDGET

The following budget information pertains to only the project for which you are requesting funds. This should not be your organization's total operational budget. Plans and cost estimates for renovation projects must be attached. Equipment must be delineated by the number, type and unit cost of the equipment by equipment category and attached to this page.

<u>Items</u>	<u>Requested Grant Funds for this Item</u>	<u>Organization's Funds for this Item (If Applicable)</u>	<u>Total</u>
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

Total Amount Requested:     \$ \_\_\_\_\_

## ATTACHMENTS – ORGANIZATIONS

Per guidelines, **eight (8) copies** of the items listed below must be included with your application.

1. As applicable:
  - A. Proof of applicant's incorporation status issued by the State Department of Assessment and Taxation. (Application submitted to the State is not sufficient)
  - B. Proof of applicant's not-for-profit status issued by the Internal Revenue Service, Department of the Treasury. (Application submitted to the IRS is not sufficient)
  - C. Copy of the lease or letter from the owner of the facility approving any renovation project (if applicable).
2. Financial statement for applicant's last complete fiscal year.
3. Complete budget for applicant's current fiscal year (total organization budget).
4. Current list of applicant's Officers and Board. (If a sub-organization without own Board, include Board of parent organization). Include address and telephone numbers.

## ASSURANCES

If the grant is awarded, the applicant assures that:

1. The applicant will administer funds.
2. Funds received under this grant will not be used to supplant any budgeted funds.
3. Funds received will be used solely for the documented activities and that those activities are of a one-time-only nature.
4. The applicant has read and will conform to the program guidelines and any other conditions imposed by the County in connection with the grant.
5. The applicant organization intends to comply with the Title VII of the Civil Rights Act of 1964, indicating that no person will be excluded from participation or be denied the benefits of any program, activity or service on the basis of race, sex, sexual preference, color, religion, ancestry, age, national origin, or handicap. The applicant further agrees to make every attempt to ensure that the program is accessible to persons with disabilities.

6. The filing of this application is made by the undersigned individual, officially authorized to represent the applicant organization by its governing board.

Signature of Person Completing Application: \_\_\_\_\_

\_\_\_\_\_  
Typed Name and Title

\_\_\_\_\_  
Date

## APPENDIX 6

## FY 05 Locally Funded Competitive Community Empowerment Grant Awards

	<b>Organization</b>	<b>Description</b>	<b>Amount</b>
1.	Coalition for the Homeless	Seneca Heights Tenant Council	\$11,500
2.	Consumer Credit Counseling	Housing Fair Outreach and web page.	17,200
	<b>TOTAL</b>		<b>\$28,700</b>

Source: OLO and FY 05 Approved Operating Budget.



**MONTGOMERY COUNTY PARTNERSHIP FOR COMMUNITY  
EMPOWERMENT GRANTS PROGRAM**

**APPLICATION PACKET**

**FISCAL YEAR 2005  
(July 1, 2004 - June 30, 2005)**

**"Supporting diversity and the inclusion of all County residents"**

*Empowerment grants support organizations that represent minority groups or others overcoming barriers to fuller participation in the community. Funded projects increase community pride, participation or self-sufficiency and focus on concerns related to diversity and multicultural unity.*

Montgomery County Department of Housing & Community Affairs  
Community Development Division  
Stella B. Werner Council Office Building  
100 Maryland Avenue, 4<sup>th</sup> Floor  
Rockville, Maryland 20850  
240-777-3600; TDD 240-777-3679; <http://hca.montgomerycountymd.gov>





**MONTGOMERY COUNTY PARTNERSHIP FOR COMMUNITY  
EMPOWERMENT GRANTS PROGRAM**

**APPLICATION PACKET**

**FISCAL YEAR 2005  
(July 1, 2004 - June 30, 2005)**

**"Supporting diversity and the inclusion of all County residents"**

*Empowerment grants support organizations that represent minority groups or others overcoming barriers to fuller participation in the community. Funded projects increase community pride, participation or self-sufficiency and focus on concerns related to diversity and multicultural unity.*

Montgomery County Department of Housing & Community Affairs  
Community Development Division  
Stella B. Werner Council Office Building  
100 Maryland Avenue, 4<sup>th</sup> Floor  
Rockville, Maryland 20850  
240-777-3600; TDD 240-777-3679; <http://hca.montgomerycountymd.gov>



# MONTGOMERY COUNTY PARTNERSHIP FOR COMMUNITY EMPOWERMENT GRANTS PROGRAM

**PLEASE READ THE FACT SHEET AND FREQUENTLY ASKED QUESTIONS BEFORE  
COMPLETING THE APPLICATION FORM.**

## FACT SHEET

### I. BACKGROUND

The diversity of community organizations in Montgomery County is key to building community participation and self-sufficiency. Community organizations play a crucial role in developing innovative economic, educational, social and culturally appropriate initiatives, which ensure full participation by all groups in the County. The Partnership for Community Empowerment Grants Program ("Empowerment Grants") provides one-year, one-time grants of up to \$25,000 to private, not-for-profit organizations located in Montgomery County that represent ethnic and/or racial minority groups or others overcoming barriers to fuller participation in the community.

### II. PURPOSE

**Empowerment Grants fund project proposals from community organizations that provide direct service to community residents. Funds must be used for projects that are designed to enhance community empowerment through increasing community pride, participation and self-sufficiency. Projects addressing issues of diversity or strengthening multicultural unity in the County are given priority for funding.**

Empowerment grants are intended to broaden public access by providing grants that enable local organizations to empower their communities more effectively and more directly so that the needs and concerns of the County's varied communities can be better addressed.

### III. ELIGIBILITY AND PROJECT RESTRICTIONS

- Only groups incorporated as private, not-for-profit organizations as designated under 501(c)(3) of the U. S. Internal Revenue Service may receive funding. Only organizations located in Montgomery County which represent minority groups or others overcoming barriers to fuller participation in the community are eligible to apply.

- Only organizations in good standing and with no outstanding debt obligations to Montgomery County are eligible to apply.
- Only proposals meeting the following definition of “project” are eligible: *a program, activity, service, event or series of events that improves the quality of community life; encourages new works or innovation in the community; develops new strategies to enhance community empowerment and pride; provides effective opportunities for community participation; and enhances a collaborative relationship between community residents and the target population and between the private not-for-profit organization and Montgomery County*
- Organizations must propose projects that:
  - ◆ provide a public benefit through the provision of services directly to Montgomery County residents;
  - ◆ occur in Montgomery County;
  - ◆ enhance community pride, participation and self-sufficiency;
  - ◆ are innovative;
  - ◆ do not duplicate any existing County program targeting the same population; and,
  - ◆ **can be completed within the one-year time frame of the grant and be for a one-time activity or a series of events that would not normally be repeated.**
- Grants will not exceed \$25,000, and all costs must be directly related to the specific empowerment project proposed; the following costs are **not** eligible:
  - ◆ Non-project-related costs associated with the daily operation of the organization, such as office furniture or equipment, operating deficits from previous years or projects, general personnel costs and general operating expenses;
  - ◆ Scholarships; travel

#### IV. OUTCOMES AND EXPECTATIONS

Applications must explain clearly and in detail how the organization will enhance community empowerment through increasing **community pride, participation and self-sufficiency**.

It is expected that a successful applicant will:

- Demonstrate the capacity to undertake the project proposed for funding and the ability to responsibly administer any grant funds awarded;

- Demonstrate the effective use of volunteers and other in-kind services and funding, such that the applicant is not solely reliant on County grant funds for project implementation;
- Demonstrate cooperation and collaboration with agencies providing similar services and work together with other community groups in a united, inclusive and collaborative way for mutual benefit and assistance where these opportunities exist.

It is expected that a successful project will:

- Clearly respond to identifiable, unmet needs of the group to be directly served;
- Have clearly stated goals and outcomes that are specific, measurable and realistic;
- Be well thought out and have a clear plan of action that is consistent with the budget;

## V. EVALUATION CRITERIA

Proposals will be evaluated according to the following criteria:

- Community Empowerment Strategies
  - ✓ eligible project clearly furthers purpose of Empowerment Grant program
  - ✓ project has a detailed plan of action to address identified unmet needs
  - ✓ project goals, objectives and accomplishments clearly stated and achievable
- Organizational Experience, Knowledge and Achievement
- Importance of Diversity and Multicultural Unity
- Project Uniqueness and Innovation
- Monitoring and Evaluation Plan
- Project Cost and Overall Funding Strategy

## VI. TIMING AND TECHNICAL ASSISTANCE

Applications are accepted once a year in late **November**. Applications are available at the end of September and submission deadlines are strictly enforced. Applicants are notified by the end of May of funding decisions, and grants are awarded for the period July 1 - June 30.

County staff members are available to discuss program specifics, project ideas, eligibility questions and to provide technical assistance to organizations interested in applying for funds.

**Important Notes for Applicants:**

**Funding for eligible projects is not guaranteed, and the amount awarded may be less than the amount requested. You should develop contingency plans in case your project is partially funded.**

**Empowerment grants are NOT a source of continuous or long-term funding for your project. This is a one-year, one-time grant program.**

**The intent of the Empowerment Grant program is to encourage applications from a variety of Montgomery County based organizations, especially grass-roots organizations that generally tend to be small, with limited budgets, and that rely heavily on volunteers. Often these smaller organizations have not previously received grant funding and may be unfamiliar with contracting procedures. If a grant is awarded, an organization must be able to comply with certain standard requirements as a condition of receiving funds. For example, organizations receiving funding are required to:**

- **Obtain insurance as specified by the County prior to undertaking the project; the costs, if project specific, are eligible for reimbursement from the grant;**
- **Incur NO costs that would be charged to the grant until after a contract has been fully executed with the County and the organization has received a written Notice to Proceed;**
- **Expend funds on the project “out-of-pocket” and then request reimbursement of the costs; funds are not disbursed in advance, before the costs are incurred.**

# MONTGOMERY COUNTY PARTNERSHIP FOR COMMUNITY EMPOWERMENT GRANTS PROGRAM

## FREQUENTLY ASKED QUESTIONS

### **MUST WE HAVE OUR NOT-FOR-PROFIT DESIGNATION BEFORE APPLYING?**

**No;**

People interested in undertaking a project that have not yet formed a nonprofit organization may still apply for an Empowerment Grant IF:

- 1) they already have applied, or anticipate applying, for a nonprofit designation AND
- 2) the designation will be in place by July 1.

**Funding is NOT provided to unincorporated, not-for-profit entities.**

### **HOW MUCH MONEY IS AVAILABLE? HOW COMPETITIVE ARE THESE GRANTS?**

For Fiscal Year 2004

Twenty (20) proposals were submitted from organizations requesting a total of more than \$400,000.

Eight (8) proposals met the program eligibility requirements and five (5) were funded for a total of \$100,000.

The average award was \$25,000.

### **WHO HAS GOTTEN FUNDED IN THE PAST AND WHAT WERE THE PROJECTS?**

Groups like the Committee for Religious Freedom in Vietnam, the Korean Community Service Center, Grass Roots Organization for the Well-being of Seniors and the African American Festival of Academic Excellence have received funding. Projects have included health awareness for Immigrants, assisting Immigrants to access jobs, and empowering parents to become more involved in their children's educational development. For a complete listing of the FY2004 grantees with a summary of their projects, go to our web site at <http://hca.montgomerycountymd.gov>. You may also call us at 240-777-3600 to have this list mailed or faxed to you.

### **IS THERE AN APPLICATION DEADLINE? HOW CAN I GET AN APPLICATION?**

**Yes;** applications are accepted only once each year. The deadline for the FY2005 applications is **4:00 PM on Monday, November 24, 2003**. You may download an application from our web site at <http://hca.montgomerycountymd.gov> or call us at 240-777-3600 to have one mailed to you. The application is also available on disk.

**ARE THERE SUBMISSION REQUIREMENTS THAT WE SHOULD KNOW ABOUT?**

1. To encourage broad participation among a variety of locally-based organizations, **only one application per organization will be accepted.**
2. **Complete all information requested in the space provided in the application.** Do not vary your submission from the sequence or format presented in the application.
3. **Applications should be submitted in hard copy, rather than on disk.**
4. **Only complete applications received by the deadline will be reviewed.**
5. **Incomplete applications will be returned to the applicant.** An applicant will be given seven calendar days to provide missing information for applications that are substantially complete but have minor omissions. Examples of omissions that an applicant will be given the opportunity to correct include a missing signature or telephone number. Minor omissions do not include application questions that have been left unanswered or failure to submit a budget or requested attachments.

**WHERE SHOULD WE SUBMIT OUR APPLICATION?**

Submit one original and two copies of the application no later than 4:00 p.m. on Monday, November 24, 2003 to:

Montgomery County Department of Housing & Community Affairs  
Community Development Division  
100 Maryland Avenue, Fourth Floor  
Rockville, MD 20850

One copy of the attachments is sufficient; you do not need to submit duplicate copies of the required attachments.

Please make certain that you keep a full copy of the application and all the attachments for your files.

**WE HAVE SUBMITTED AN APPLICATION; WHEN WILL WE HEAR ABOUT FUNDING?**

Funds are recommended by the County Executive and approved by the County Council as part of the County's annual operating budget. The County Council approves the annual operating budget for the fiscal year, which begins July 1, no later than May 25.

Major milestones in the application process are as follows:

- Notification in writing that your application has been received (unless you hand-delivered the application and received a receipt upon delivery) - *December*
- Staff review of your application for completeness and eligibility. Applicants are notified in writing if an application is deemed ineligible for funding. Incomplete applications are returned - *December*
- A Review Panel comprised of representatives of various County departments with a knowledge of and interest in diversity initiatives, community empowerment, needs assessment and effective service delivery will evaluate all eligible applications and make funding recommendations to the County Executive - *January/February*
- Applicants notified in writing of the County Executive's recommendations - *March*
- County Executive submits recommended budget to the County Council; County Council holds hearings on the budget - *March/April*
- County Council approves County operating budget; applicants notified in writing of final funding decisions; staff and applicants discuss contract language and requirements; staff draft contracts - *June*
- Staff and grantee finalize and execute contract - *by July 1, although occasionally later*
- Grantee receives Notice to Proceed, delivers services and spends funds - *Twelve month period beginning with Notice to Proceed (approximately July 1 - June 30)*

#### **IS THE APPLICATION AVAILABLE IN ALTERNATIVE FORMATS?**

**Yes;** should you require any accommodation as the result of a disability, inform us promptly of your needs, and staff will assist you personally on an individual basis.

#### **WHAT IF WE HAVE QUESTIONS?**

The Staff of the Community Development Division encourages your questions and is available to provide technical assistance over the telephone or in person. You may contact Angela Dickens at 240-777-3630 to discuss your project ideas or for help of any kind.



MONTGOMERY COUNTY, MARYLAND      DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

## MONTGOMERY COUNTY PARTNERSHIP FOR COMMUNITY EMPOWERMENT GRANTS PROGRAM

### Application

(FY 2005 - July 1, 2004 through June 30, 2005)

An **original** and **two copies** of  
This application must be submitted no later than  
**Monday, November 24, 2003 AT 4:00 P.M. to:**

Montgomery County Dept. of Housing and Community Affairs  
Community Development Division  
100 Maryland Avenue, Fourth Floor  
Rockville, Maryland 20850  
240-777-3600 Fax 240-777-3653 TDD: 240-777-3679



**Only complete applications received by the deadline will be reviewed**

This application is available on computer disk and on the Montgomery County web page at: <http://hca.montgomerycountymd.gov>. If you complete this application on a computer, it is important to *limit your answers to the space provided*. You should maintain the given page numbers using a font size of *11 points* or above.

1. COVER PAGE

**MONTGOMERY COUNTY**

**Empowerment Grant  
Fiscal Year 2005**

**(For DHCA Use Only)  
APPLICATION NUMBER**  
\_\_\_\_\_

***Applicant Information:***

Legal name of Applicant/Organization: \_\_\_\_\_

Type of Organization: Nonprofit, with 501(c)(3) status in hand \_\_\_\_  
(check only one)

Nonprofit, with 501(c)(3) status pending \_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Telephone: \_\_\_\_\_

E-mail \_\_\_\_\_

Title, if any: \_\_\_\_\_ Fax: \_\_\_\_\_

Project Title: \_\_\_\_\_

Amount Requested (may not exceed \$25,000): \$ \_\_\_\_\_

Amount of Total Project Budget: \$ \_\_\_\_\_

***Certification:***

*"I certify that I have reviewed this application and that, to the best of my knowledge and belief, all of the information provided in this application is true."*

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Federal I.D. Number

**2. EXECUTIVE SUMMARY**

In the box below, please describe your project: WHAT you will do, WHO you will serve and what you are requesting from the County. Be both specific and concise.

### 3. YOUR ORGANIZATION

*Empowerment grants support organizations that represent minority groups or others overcoming barriers to fuller participation in the community*

What is the mission of your organization and when was your organization established? How many paid staff and/or volunteers do you have? What are your organization's current, primary areas of interest? What services do you provide? Describe some recent achievements.

#### 4. PROJECT NEED AND DESCRIPTION

*Empowerment grants support projects that clearly respond to unmet needs of the group(s) to be directly served and that do not duplicate any existing County program in content and stated objectives targeting the same population. Funded projects increase community pride, participation and self-sufficiency.*

What unmet community needs will your project address, how did you determine that these needs exist, and how will your project address these needs?

What is unique and innovative about your project?

**PROJECT DESCRIPTION AND NEED (continued)**

How will this project empower the community? To what extent does your project address issues of diversity and multicultural unity? Elaborate on how the project will provide more effective opportunities for community participation, a better quality of community life and a more collaborative relationship between the community "at large" and the target population.

**5. PROJECT GOALS, RESULTS AND PERFORMANCE MEASURES:**

*The project should have clearly stated goals and results that are specific, measurable, and realistic.*

Please list expected project accomplishments. How will you evaluate the success of your project and what specific performance measures will you use to do this. Please quantify your answers.

GOAL(S)	SERVICE DELIVERY PROCESS	PERFORMANCE MEASURES
<p>“What do you want to achieve?”</p> <p>Example: Empower immigrants by helping them to become U.S. citizens</p>	<p>“How will you achieve it?”</p> <p>recruit foreign-born participants from all nationalities to join naturalization program; provide workshops to assist participants with the INS application process and classes to prepare participants for the citizenship test</p>	<p>“How will you know if you are successful?”</p> <p>OUTCOME</p> <p>90% of participants will successfully pass the examination to become naturalized U.S. citizens within one year</p> <p>OUTPUT</p> <p>100 participants recruited 3 three-hour workshops conducted 12 two-hour classes conducted 90 participants pass citizenship test</p>

## 6. BUDGET

*The project must be well thought out and have a clear plan of action that is consistent with the budget. It is expected that a successful applicant will demonstrate the effective use of volunteers and other in-kind services and funding and not be totally reliant on County grant funds for project implementation.*

What is the amount of your total, current annual operating budget? How does this grant request fit into your overall organization's budget? If your grant request were decreased, how would you accommodate this decrease and still accomplish the intent of your project?

Does your organization owe any current or existing debts to Montgomery County? \_\_\_\_  
What are your major sources of funding (e.g. donations, dues, grants)?

Are you currently receiving funds from Montgomery County for any project or program? If "yes," please list the project/program, the amount of funding, the source, if known (e.g. name of grant) and your County contact person.

Have you received funding from Montgomery County within the past 5 years? If "yes," when, in what amount(s) and for what? If more than two occurrences, limit your response to the two largest awards.

Do you have any other funding applications pending for this project? \_\_\_\_ If "yes", please state the organization, the amount requested and the status (e.g. when you will hear about the funding).

## PROJECT BUDGET

**Note:** The following budget information is only for the project for which you are requesting funds. This should not be your organization's total operational budget.

<u>ITEM*</u>	<u>GRANT FUNDS</u>	<u>OTHER FUNDS/SOURCE*</u>	<u>TOTAL</u>
--------------	--------------------	----------------------------	--------------

- Funding recipients are required to meet Montgomery County's general insurance requirements. Please budget for any increase in insurance premiums accordingly. For those with no insurance, the cost varies per year depending on the project. Call us for assistance.
- Please note if another source of funds is contingent on receipt of this grant.
- Remember, general organizational operating expenses (overhead/personnel, furniture, equipment, etc.) are NOT eligible. Only costs DIRECTLY associated with the project may be included in this budget.

## 7. COLLABORATION, COOPERATION AND KEY STAFF

*A successful applicant will demonstrate cooperation and collaboration with agencies providing similar services and work together with other community groups in a united, inclusive and collaborative way for mutual benefit and assistance where these opportunities exist. A successful applicant will demonstrate the capacity to undertake the project proposed for funding and the ability to responsibly administer any grant funds awarded.*

Will you enter into a partnership with any other organizations to undertake this project? If "yes," please list the organization and describe its mission and contribution to the project.

Does this project provide opportunities for collaboration with other organizations and agencies? If so, please explain.

Who, specifically, will be involved in project administration and what is the relationship to the organization (e.g. paid staff, volunteer)? Briefly note the relevant skills and experience of those involved.

# MONTGOMERY COUNTY PARTNERSHIP FOR COMMUNITY EMPOWERMENT GRANTS PROGRAM

## APPLICATION ATTACHMENTS

### CHECKLIST:

Please complete and submit this checklist with a copy of all applicable documents (#1 through #8). Please label the documents using the document name and numerical order below. Please place all attachments at the end of the application. **On the checklist, indicate by an "X" if the document is attached; note "N/A" if the information is not applicable. Note that some documents are mandatory and must be included for your application to be considered complete.**

1. Proof of organizational status - indicate by one "X" only (mandatory):  
 Internal Revenue Service letter granting tax exempt nonprofit status 501(c)(3); or,  
 Proof that the organization has applied for nonprofit designation from the U.S. Internal Revenue Service (a copy of the transmittal letter is acceptable); or,  
 A letter from a nonprofit organization that itself has previously received County funds expressing intent to serve as the fiscal agent for the applicant should funds be awarded; this letter must be on organizational letterhead signed by an authorized representative of the organization.
2. A list including names, titles, terms of office (if any), and addresses of all members of the applicant's governing body/ Board of Directors (mandatory)
3. An organization chart or explanation of organizational structure (mandatory)
4. The organization's total budget for the current fiscal year (mandatory)
5. A list of any programs and/or projects, other than that for which a grant is being requested, that the organization administers (if applicable)
6. The organization's most recent audit (if applicable)
7. A list of outstanding grant applications currently under consideration or recent awards in connection with the same or similar project (if applicable)
8. A copy of any Certificate of Insurance evidencing the insurance coverage currently in place (mandatory)

**NOTE:** Organizations whose projects are approved for funding will be required to enter into a contract with Montgomery County for implementation of the funded activity.

# MONTGOMERY COUNTY PARTNERSHIP FOR COMMUNITY EMPOWERMENT GRANTS PROGRAM

## ASSURANCES

If the grant is awarded, by signing the certification on the cover page of this application, the applicant assures that:

1. These funds will be administered by the applicant.
2. Funds received under this grant will not be used to supplant any budgeted funds.
3. Funds received will be used solely for the documented activities and that those activities are of a one-time only nature.
4. The applicant has read and will confirm to the program guidelines.
5. The applicant organization intends to comply with Title VII of the Civil Rights Act of 1964. Thus, indicating that no person will be excluded from participation or be denied the benefits of any program, activity or service on the basis of race, sex, sexual preference, color, religion, ancestry, age, national origin, or handicap. The applicant further agrees to make every attempt to ensure that the program is accessible to persons with disabilities.
6. The individual filing this application is officially authorized to represent the applicant organization and has been duly approved by the governing board of the applicant organization by action taken on \_\_\_\_/\_\_\_\_/\_\_\_\_.  
Mo. Day Yr.

## APPENDIX 8

**FY 05 Federally Funded Competitive  
Community Development Block Grant Awards**

	<b>Organization</b>	<b>Description</b>	<b>Amount</b>
1.	Asian Pacific American Legal Resource Center	Funds for legal assistance for Asian workers.	\$27,000
2.	Chinese Culture and Community Service Center	Funds for American Dream.	40,000
3.	Community Bridges	Funds for Jump Start/Adelante Ninas Summer Outdoor Adventure Camp.	22,000
4.	Community Ministry of Montgomery County	Funds for interfaith furniture initiative.	30,000
5.	Crossway Community, Inc.	Funds for taking action to assist families in need.	25,000
6.	Family Learning Solutions, Inc.	Funds for KidsSPEAKOUT.	32,000
7.	Food and Friends	Funds for helping LMI persons with life challenging illnesses.	11,000
8.	Gapbuster Learning Center	Funds for enrichment program.	40,000
9.	Hebrew Home of Greater Washington	Funds for geriatric nursing assistant training.	20,000
10.	Housing Opportunities Community Partners, Inc.	Funds for vehicles for change.	20,000
11.	Jewish Social Services Agency	Funds for educational advocacy program.	23,000
12.	Korean-American Senior Citizen's Association	Funds for technology catch-up for the disadvantaged.	20,000
13.	League of Korean Americans of Montgomery County	Funds for health screening outreach and job training.	15,000
14.	Long Branch Athletic Association	Funds for the Joshua Group Community Development Corporation.	30,000
15.	Luther Rice Neighborhood Center	Funds for English Speaking Other Languages.	5,000

**FY 05 Federally Funded Competitive  
Community Development Block Grant Awards (cont.)**

	<b>Organization</b>	<b>Description</b>	<b>Amount</b>
16.	MC Language Minority Health Project	Funds for diabetes education and management program	\$15,000
17.	Mobile Medical Care, Inc.	Funds for chronic disease care at Longbranch Community Center.	40,000
18.	Montgomery Volunteer Dental Clinic	Funds for expansion of new upcounty dental clinic.	40,000
19.	NAMI of Montgomery County	Funds for Spanish family to family outreach.	24,600
20.	National Center for Children and Families	Funds for Betty Ann Kranke Center.	30,000
21.	Ninos Unidos de Montgomery County	Funds for Kidz Corner Homework Program.	45,000
22.	Rebuilding Together (formerly Christmas in April)	Funds for home modification program.	20,000
23.	Senior Connection of Montgomery County	Funds for satellite offices of the Senior Connection	30,000
24.	Silver Spring Interfaith Housing Coalition	Funds for SSIHC – Montgomery Housing Partnership Program	15,000
25.	Spanish Catholic Center, Inc.	Funding for Pre-Apprenticeship Training Program	20,000
26.	St. Luke's House, Inc.	Funding for the Back to Work Program.	17,500
27.	Teen Connection of Takoma, Inc.	Funding for Teen Connection of Takoma, Inc.	35,000
28.	The Shepherd's Table, Inc.	Funding for counseling for Spanish speaking homeless.	16,000
29.	Upper Montgomery Assistance Network	Funding for Homeownership Education and Housing Counseling Program	25,000
<b>TOTAL</b>			<b>\$733,100</b>

Source: OLO and FY 05 Approved Operating Budget.

## APPENDIX 9

## FY 05 Federally Funded Emergency Shelter Grant Awards

	<b>Organization</b>	<b>Description</b>	<b>Amount</b>
1.	Catholic Charities/Montgomery County Family Center	Montgomery County Family Center – Family Support/Emergency Assistance	\$20,000
2.	Community Ministry of Montgomery County	Eviction prevention training video	17,200
3.	Montgomery County Coalition for the Homeless	Latino Case Management	25,000
4.	Silver Spring Community Vision	Extended Hour/Weekend/Holiday Case Management	35,000
	<b>TOTAL</b>		<b>\$97,200</b>

Source: OLO and Approved FY 05 Operating Budget.



# Application Packet

## Community Development Block Grant (CDBG) & Emergency Shelter Grant (ESG)

### Public Service Grants for FY 2005



**Application Deadline:**  
**Monday, September 15, 2003 by 4:00 p.m.**





## Application Packet

### Community Development Block Grant (CDBG) & Emergency Shelter Grant (ESG)

### Public Service Grants for FY 2005

#### Facts in Brief:

- ❖ The maximum grant amount that may be requested for FY 2005 is \$45,000
- ❖ Any funds awarded will not be available until after July 1, 2004
- ❖ The application deadline is Monday, September 15, 2003 at 4:00 p.m.
- ❖ An original and two (2) copies of your application must be submitted to:

Montgomery County Department of Housing & Community Affairs  
Federal Programs Section  
100 Maryland Avenue, Fourth Floor  
Rockville, MD 20850

- ❖ Only complete applications received by the deadline will be considered
- ❖ If you have additional questions, you may call the Federal Programs staff at (240) 777-3600 (our TDD number is (240) 777-3679)
- ❖ This application is also available on computer disk

This packet contains information about the Community Development Block Grant (CDBG) and Emergency Shelter Grant (ESG) programs, and the application for public service grants. To discuss whether or not a specific proposal may be eligible for these funds, to request an application, or to learn more about the application requirements and filing deadlines, please call the Federal Programs Staff of the Department of Housing and Community Affairs at (240) 777-3600. Our TDD number is (240) 777-3679



DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Douglas M. Duncan  
*County Executive*

Elizabeth B. Davison  
*Director*

July 1, 2003

Dear Interested Applicant:

Montgomery County is now accepting applications for a new cycle of Community Development Block Grant (CDBG) and Emergency Shelter Grant (ESG) funded public service grants. For almost 29 years, these grants have been used by non-profit organizations to provide services to some of the County's most vulnerable residents. In the County's most current budget, thirty-two (32) nonprofit organizations are receiving grants that range in size from \$5,000 to \$45,000.

The County expects to have approximately \$700,000 in CDBG/ESG funds available for grants this year. To stretch and focus our limited resources, we will be putting special emphasis on collaborative proposals that address concerns or needs as part of a comprehensive neighborhood approach. Priority will be given to proposals focusing on selected areas that are identified in this packet. Also, we are committed to funding projects that will be ready to proceed immediately after funds are received in the Summer of 2004.

I encourage you to review the materials in the enclosed "Fact Sheet and Funding Policies" and the "Application Instructions," and complete the enclosed application form if you feel your organization and your project are eligible for a public service grant. The application is also available on computer disk (in Microsoft Word 2000, with the budget worksheet in Excel). Our most recent Action Plan contains useful information about currently identified community development areas, priorities, and a listing of activities that were funded last year. You can request a copy of our most recent Action Plan by calling 240-777-3600 (our TDD number is 240-777-3679). You can also check our internet website at the following address:

<http://hca.montgomerycountymd.gov>

Whether or not you decide to submit an application for funding, we welcome your attendance at, and participation in, our annual public hearing. This meeting is your opportunity to express your ideas and concerns about our past performance, current needs, and future community development funding priorities. The hearing is tentatively scheduled for October 14, 2003 at 7:30 p.m. You may call us here in September to find out the exact location or to register to testify before the County's Community Development Advisory Committee (CDAC).

Dear Interested Applicant  
July 1, 2003  
Page 2

The County's Federal Programs staff will be glad to answer any questions or provide one-on-one technical assistance in discussing a particular funding proposal or completing an application. You may apply for funding for more than one project, but a separate application must be completed for each project that you are proposing. Competition for funds will be keen, and demand will exceed the amount of funds available. The deadline for submitting applications is Monday, September 15, 2003.

Thank you for your interest in the CDBG and ESG public service grant program. Over the years, these programs have benefited the residents of Montgomery County in many ways, both through programs operated by county departments and those operated by non-governmental agencies.

Sincerely,

A handwritten signature in black ink that reads "Luann W. Korona". The signature is written in a cursive style with a large, prominent initial 'L'.

Luann W. Korona, Chief  
Federal Programs Section

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**PUBLIC SERVICE GRANT  
FACT SHEET AND FUNDING POLICY**

**A. Introduction**

Montgomery County receives Community Development Block Grant (CDBG) funds annually from the U.S. Department of Housing and Urban Development (HUD) to provide programs and facilities that primarily benefit low- and moderate-income (LMI) residents of the community. The County also receives Emergency Shelter Grant (ESG) funds that are used to prevent homelessness, or provide shelter and services to person who are homeless or at-risk of homelessness.

Each year, Montgomery County uses a competitive application process to make a portion of its CDBG and ESG funds available to non-profit groups in the form of public service grants. Eligible public service activities include, but are not limited to, programs concerned with employment, crime prevention, child care, health care, drug abuse prevention, education, mental health, welfare, or recreation.

**B. Background on Federal Funding Sources**

To help potential applicants determine whether or not their project might be eligible for a public service grant, it is important to be familiar with the basic requirements of the two Federal programs that provide the funding for the grants. Potential applicants should also review the contractual requirements they will be expected to meet if they are selected for Federal funding (see Section F. Contractual Requirements).

**CDBG Program**

The CDBG program provides Montgomery County with the opportunity to develop viable communities by funding activities that provide decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. Funds may be used to carry out a wide range of community development activities such as neighborhood revitalization, economic development, and the provision of improved community facilities and services.

The amount of CDBG funds available to non-profits for public service activities is capped under the CDBG regulations. For example, last year the County received \$5.9 million in CDBG funds, and the amount available to non-profits for public service grants was approximately \$688,000. The amount of funding for fiscal year 2005 has not been determined but is expected to be about the same.

## CDBG National Objectives

Federal legislation and regulations have established national objectives that all CDBG funded activities must meet. The County must assure that all activities meet one of these two national objectives of the program. Each activity must: 1) Benefit people with low- and moderate-incomes (LMIs); or 2) Aid in the prevention of slums and blight. Activities that do not meet one of these two broad national objectives cannot be undertaken with CDBG funds.

Low and Moderate Income Benefit: Generally, public service activities meet the first requirement - benefit to LMI persons. For an activity to meet this objective, it must either have income eligibility requirements that limit the activity's benefits to LMI persons, or the activity must be located in an area that is predominantly inhabited by LMI residents. Under the CDBG regulations, programs that serve the elderly or persons with disabilities are usually considered to benefit low- and moderate-income persons. The income limits that determine who is considered to have a low- and moderate-income are shown below:

**HUD INCOME LIMITS\*** (Effective February 20, 2003)

Family Size	Low	Moderate
1	\$30,450	\$39,550
2	\$34,800	\$45,200
3	\$39,150	\$50,850
4	\$43,500	\$56,500
5	\$47,000	\$61,000
6	\$50,450	\$65,550
7	\$53,950	\$70,050
8	\$57,400	\$74,600

\* All income figures have been rounded to the nearest \$50.

To meet this objective, each public service activity must serve no less than 51 percent LMI persons (although the County reserves the right to require that each activity serve at least 70 percent LMI persons). The applicable percentage will be determined at the time a grantee's contract is drafted, but applicants should plan to meet the highest limit possible.

Slums and Blight: For an activity to meet the second objective, it must be designed to address and ameliorate the conditions causing the slums and blight. The County determines which areas qualify under removal of slums and blight.

In addition, CDBG regulations require that activities selected for funding must do one of the following:

- Provide a new or an expanded level of an existing public service to populations with special needs, such as supportive services for the homeless, persons with

- HIV/AIDS, the elderly, abused persons, children-at-risk, persons with mental or physical disabilities, or new immigrant populations.
- Eliminate conditions detrimental to health, safety, and public welfare.
- Stimulate economic growth, development, and employment opportunities that will principally benefit LMI persons.
- Support fair housing through education, counseling, legal assistance, and consumer protection programs.

### **CDBG Ineligible Activities**

Certain types of activities are ineligible for assistance from the CDBG funds. The following types of activities generally are ineligible:

- Construction of, or improvements to, general government buildings and schools.
- Routine operation, maintenance, and repair activities for public facilities.
- Assistance to churches or church-affiliated organizations, unless a clear separation of purpose, mission, and organizational relationship can be established between the church and the CDBG-funded activities.

### **ESG Program**

The ESG program enables Montgomery County to provide housing and other services to persons who are homeless or are about to be homeless. This program is also funded by HUD. Last year, the County received \$203,000 in ESG funds. Future funding for this program is uncertain.

### **ESG Eligible Activities**

ESG funds are awarded for a variety of activities relating to emergency shelter for the homeless, including the renovation or conversion of buildings to be used as shelters and the maintenance/operation of facilities that house the homeless. Funds may also be provided for essential services, including services concerned with employment, health, substance abuse, or education, as well as for efforts to prevent homelessness, such as financial assistance for families who have received eviction notices or notices of termination of utility services.

### **C. County Policies and Priorities for Public Service Grants**

Each year, Montgomery County receives many more applications for CDBG and ESG public service grants than there are funds available. The competition is greatest among applicants requesting funds for staff and operating costs associated with providing services to some of our most vulnerable residents: the elderly, children and youth, recent immigrants, the homeless, people with mental and physical disabilities, people with chronic illnesses, people with addictions, and victims of violence.

In addition to the Federal requirements, Montgomery County has developed policies and priorities to guide its use of CDBG and ESG funds. These policies and priorities are based on federal requirements for the CDBG and ESG programs and local needs and funding priorities.

## Policies

These general policies and priorities apply to all applications for CDBG/ESG funds:

- Public service grant amounts are capped at \$45,000
- CDBG funds will not go to one organization for the same project for more than three (3) years;
- Grantees who receive funds in year one, are not guaranteed funding in years two and three;
- Grantees may only lease, not purchase, capital equipment with CDBG/ESG funds;
- The acquisition of land, or the construction, acquisition, and/or rehabilitation of buildings is not eligible for a public service grant. (For information on loan programs that may be available to fund these activities, please contact Federal Programs staff at (240) 777-3600.)

## Priorities

Funding priority will be given to activities that:

- have a high benefit to low- and moderate-income persons;
- require a one-time only infusion of funds and have a detailed plan for permanent funding;
- maximize the use of outside funds (non-CDBG/ESG or other county funds) and services and which are coordinated with other public and private efforts;
- are clearly defined as to scope, location, need, budget, goals, and means for evaluation of program progress;
- demonstrate the capacity of the applicant, and the capability to be carried out successfully;
- support or coordinate with other community development efforts;
- are located in selected community development areas;
- present a reasonable, sound budget; and,
- are to be implemented by organizations with a solid track record.

In addition, because the demand for these funds exceeds the amount received from HUD, the County is committed to funding projects that are ready to proceed immediately after funds are received, and those prepared to spend the funds within a twelve-month period (any funds that are not spent within this timeframe may be recaptured by the County).

## Priority Areas

Currently, selected areas designated by the County to receive priority for community development assistance are: Cinnamon Woods near Germantown, Connecticut Avenue Estates, portions of Wheaton, the Long Branch and Flower-Piney Branch areas, the McKendree area of Montgomery Village, and portions of Silver Spring (please refer to the maps beginning on *page ix*). In Montgomery County, there are eighteen (18) Neighborhood Business Development Districts that are also priority areas, including: Aspen Manor; Boyds; Burtonsville; Clarksburg; Cloverly; Colonial/Veirs Mill; Damascus; Four Corners; Germantown; Glenmont; Hyattstown; Kensington; Long Branch; Montgomery Hills; Rock Creek Village; Sandy Spring; Silver Spring; and Wheaton.

## Participating and Non-Participating Jurisdictions in the County

The Cities of Rockville, Gaithersburg, and Takoma Park operate their own Community Development Block Grant programs and should be contacted directly with funding requests for public service activities to be undertaken inside their city limits.

The following jurisdictions do not participate with the County in these programs; therefore, no activities that operate within these areas may be funded with CDBG or ESG funds: Town of Barnesville, Town of Chevy Chase, Chevy Chase View, Chevy Chase Village, Village of Chevy Chase (Section 3), Village of Drummond, Town of Laytonsville, Village of Martin's Additions, and Town of Poolesville.

## Exceptions to the Policies

Applications from the municipalities receiving a pass-through amount (Rockville and Takoma Park) only need to meet HUD's eligibility criteria and will be deemed eligible based on HUD's criteria alone, unless the municipality agrees in writing to the County's CDBG Funding Policy.

Out-of-cycle applications recommended for review by the Director of DHCA will be reviewed by the CDAC according to the Committee's established practice. An application which does not conform to the County's CDBG Funding Policy may be accepted for review if it meets HUD's eligibility criteria and the CDBG national objectives. The Director of DHCA may waive the requirements of the CDBG Funding Policy for good cause.

## D. Community Development Advisory Committee

Deciding who should receive funding is a difficult and time-consuming process. To guide this effort, a group of 15 dedicated volunteers is appointed by the County Executive to sit for three-year terms on the Community Development Advisory Committee (CDAC). Committee members, all of whom are County residents, review applications and meet with eligible applicants to discuss funding requests. Working with staff from DHCA, and with input from the Director of DHCA, the CDAC recommends to the County Executive who should receive funding and in what amounts.

The County's Policies and Priorities, as described above, guide the Community Development Advisory Committee (CDAC) in its application review. In addition, the CDAC has established its own philosophy in determining which applications should be recommended for review. In general, all activities should:

- provide new or expanded services that respond to critical, identifiable, and unmet needs;
- stress long-term, innovative solutions that hold the promise of serving as a catalyst for change;
- be integrated with other community services and be provided in collaboration with other service providers;
- be supported by multiple funding sources and have excellent prospects for ongoing funding and program support (from non-County sources);
- enable and empower those served to reach their highest level of self-sufficiency;
- help people with special needs achieve better access to and use of existing services;
- have clearly stated goals and evaluation criteria that are specific, measurable, and realistic; and
- have a clear plan of action that is consistent with the budget and that demonstrates that the applicant has the capability to implement the proposed plan.

**E. Application Review and Recommendations**

Applications for public service grants are accepted by DHCA on an annual, cyclical basis. The deadline date for submission of applications varies slightly from year to year, but it is usually in mid-September. Projects submitted after the deadline will not be considered for review unless it can be demonstrated that the application is for funding of an emergency nature or represents a unique, one-time opportunity that cannot wait for the normal round of applications. These out-of-cycle requests will be reviewed at the discretion of the Director of DHCA.

To be considered, all applications must meet one of the two national objectives of the CDBG program (as described above). All applications are reviewed by the staff of DHCA to determine eligibility under HUD's criteria and conformance with the County's CDBG/ESG funding policies and priorities. All applications accepted for competition are then reviewed by the Community Development Advisory Committee (CDAC).

After discussion and consultation through the review process, cyclical applications will be recommended for funding to the Director of DHCA and to the County Executive. The County Executive will then make recommendations to the County Council as part of the overall budget process. (Approval of loans for new housing construction or rehabilitation rests with the Director of DHCA.)

The County Council, as part of the budget process, then makes the final selection of those activities and projects to be funded with CDBG/ESG funds. The Council usually approves the budget in mid-May. In reality, activities proposed in the Fall are funded in

the County's next budget year (which begins July 1). Due to HUD restrictions and clearances that must be obtained, funds are generally not available until after the following September first of each year.

**F. Contractual Requirements**

Each grantee selected to receive funds is required to sign a contract with the County. No costs incurred prior to the execution of an agreement with the County are reimbursable. Under County and Federal laws and regulations, certain requirements must be met in order to negotiate an agreement and disburse funds. These requirements include the following:

1. Applicants must demonstrate that they are a private nonprofit organization, or a governmental agency.
2. After an application is approved for funding, a contract will be prepared and sent by the County to the person identified by the applicant as the authorized official for signature. The contract will specify the amount of the award, the period for which the project is approved, the contract term, and administrative provisions. Special conditions attached to the award also will be specified in the agreement. Grantees and loan recipients will be required to file regular reports on expenditures, progress toward goals, and beneficiaries. DHCA will provide forms for these reports.
3. Grantees and loan recipients will be required to obtain adequate insurance covering workman's compensation, bodily injury, property damage, or automobile liability, depending on the nature of the project. Grantees will be responsible for obtaining any necessary licenses and for complying with all applicable federal, state, and municipal laws, codes, and regulations. If you are not a governmental agency, you can include the costs of insurance and licenses for the activity in the proposed budget.
4. As part of any grant or loan agreement, recipients will be required to comply with affirmative action and equal opportunity laws. In the event of non-compliance, the agreement may be terminated or suspended in whole or in part.
5. All recipients will be required to comply with the federal government's audit requirements as described in OMB Circular A-133 (for HUD's programs, these requirements are codified at 24 CFR Part 84). The cost of an audit is an eligible grant cost.

**G. Other Important Considerations for Applicants**

Every year, the demand for CDBG/ESG funded public service grants exceeds the amount available. This means several otherwise worthy projects cannot be funded due to a lack of funds. For example, last year the County had approximately \$700,000 available for

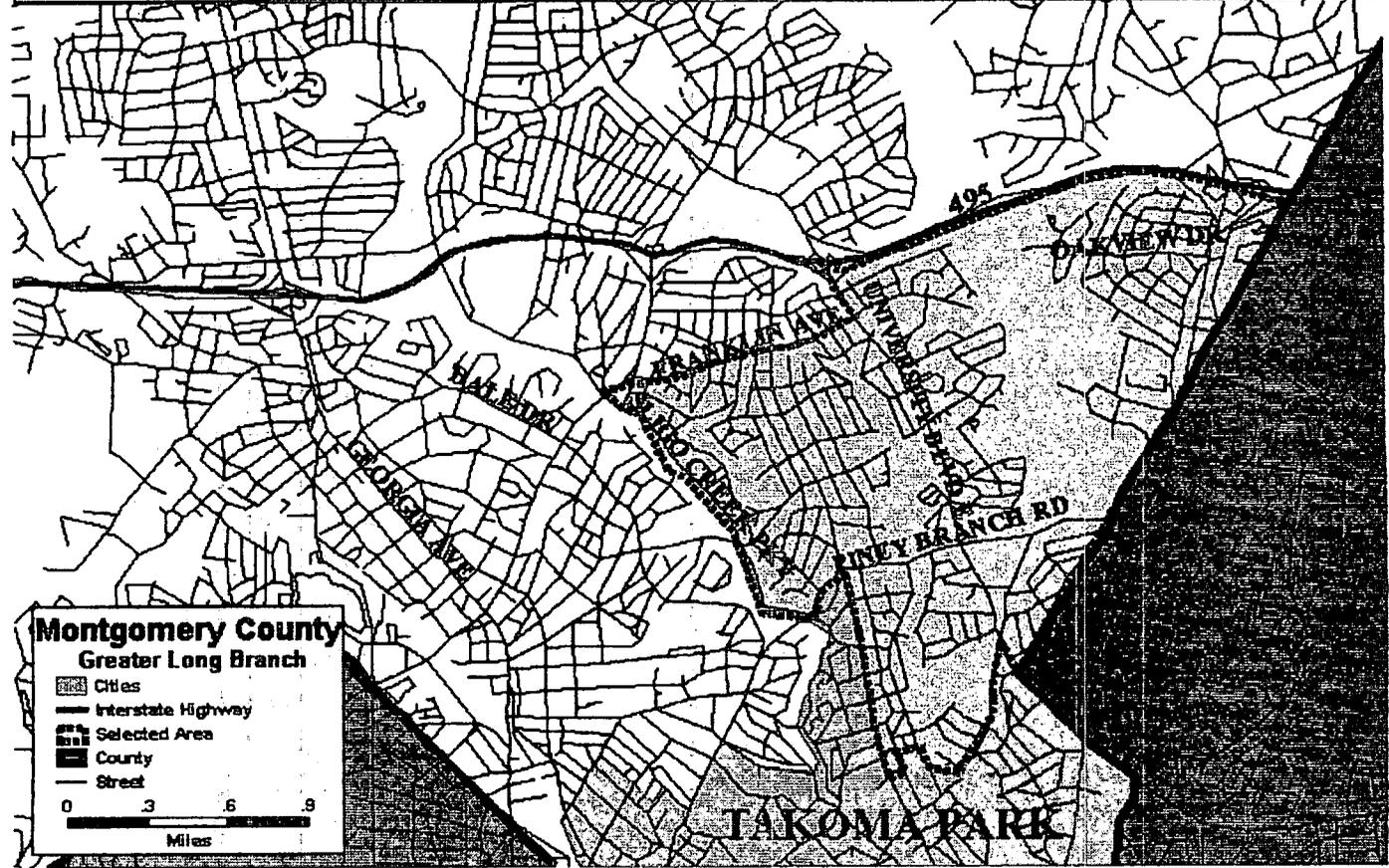
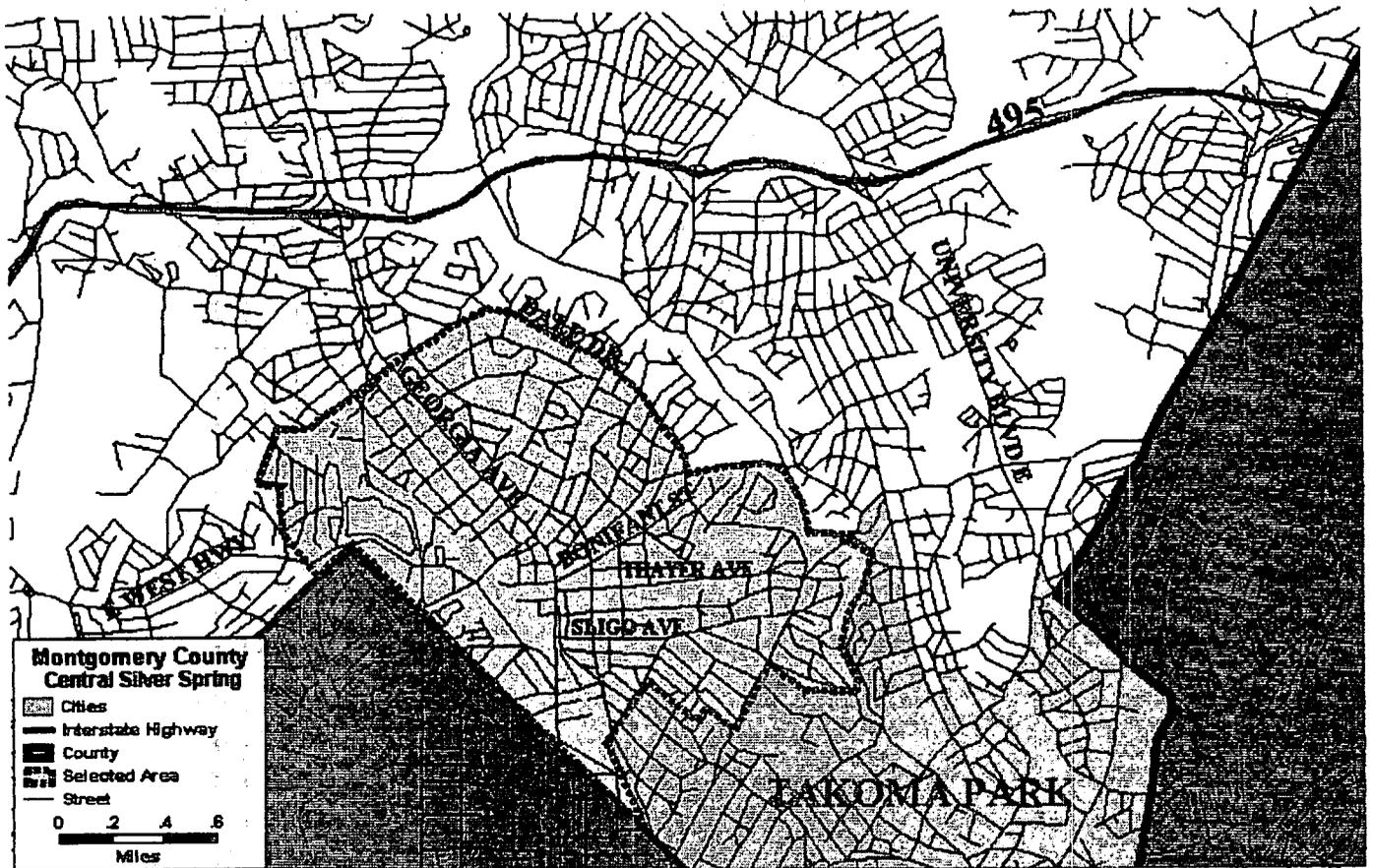
public service grants. The CDAC recommended funding for 31 of the 46 eligible applications received. The average grant amount was \$35,000. Last year, five applications were determined to be ineligible for CDBG/ESG funding. Therefore, it is worth your time to check with county staff before preparing the application to make sure the activities you are proposing are eligible.

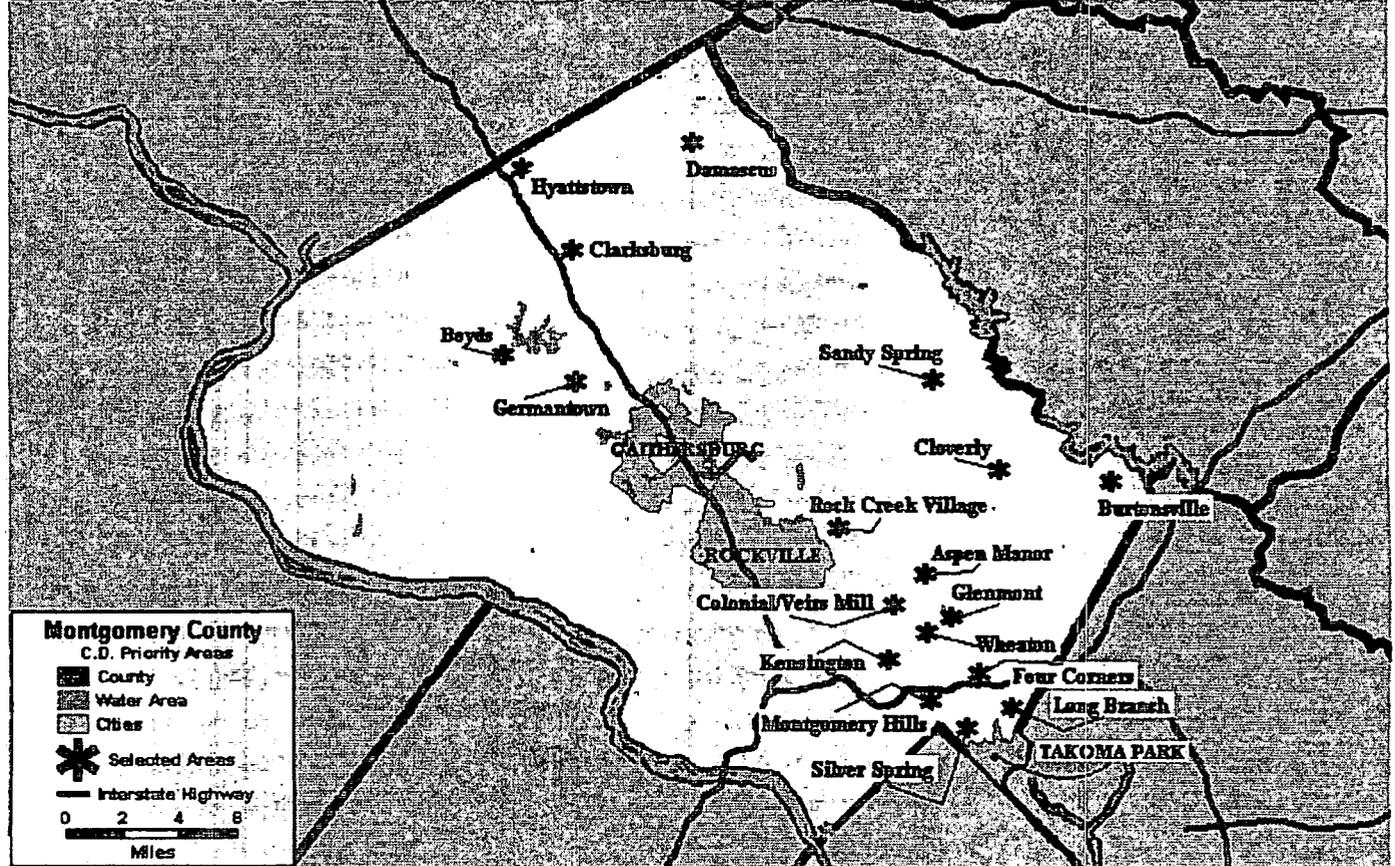
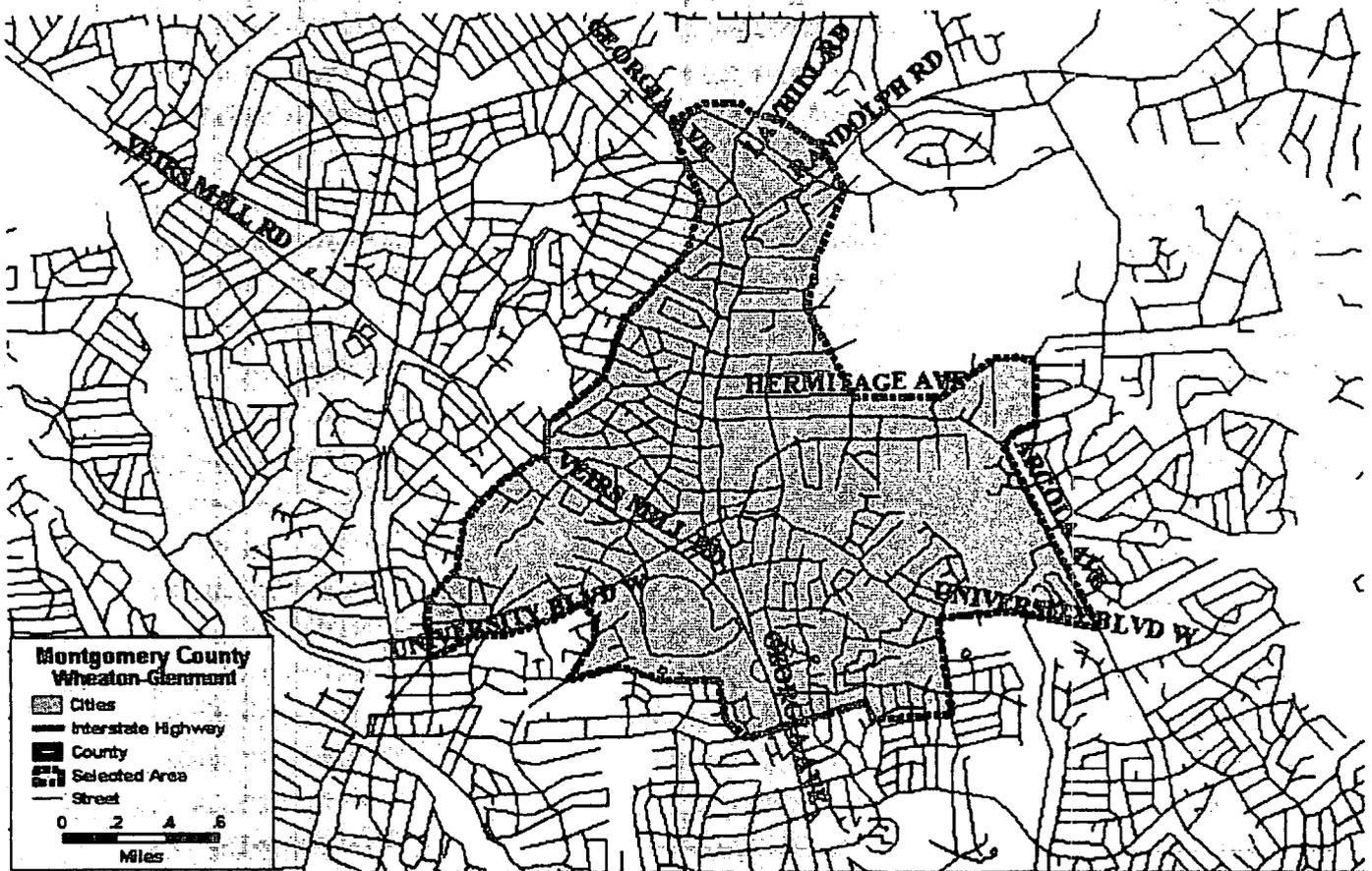
Therefore, the County is committed to funding projects that are ready to proceed immediately once the budget has been approved and the contract has been signed. In addition, HUD imposes time limits for spending Federal funds. Grantees must be prepared to spend their funds in a 12-month period. If funds are not spent within this time period, unspent funds may be recaptured by the County and awarded to other projects.

**CDBG/ESG funds are not intended to be an on-going source of funds for an organization.** Under the CDBG/ESG Public Service Grant program, an organization may only receive funding for up to three years for the same program or activity. However, there is no guarantee that approved projects will receive funding in years two and three. In addition, for those organizations that are successful in receiving second and third year funds, the amount of CDBG/ESG funds awarded is often reduced from the previous years' amounts.

Finally, please be aware that even if your application is successful, the CDAC may recommend that the applicant be awarded a lower level of funding than was requested. Please develop a contingency plan to account for a smaller CDBG/ESG award.







## PUBLIC SERVICE GRANT APPLICATION INSTRUCTIONS

### WHO SHOULD APPLY?

**Nonprofits:** Only nonprofit organizations are eligible to apply for public service grants. Nonprofits must be incorporated under state law, and they must have a 501(c)(3) designation from the U.S. Internal Revenue Service. An organization whose 501(c)(3) status is pending may still apply, but it must ensure that the nonprofit designation will be in place before the beginning of the fiscal year (July 1, 2004). For-profit entities are not eligible to receive public service grants.

**Government Agencies:** Governmental and quasi-governmental agencies, including County agencies, may apply for public service grants. However, these agencies are strongly encouraged to apply in partnership with a local nonprofit organization. The nonprofit organization should be, whenever practical, the primary applicant. If you feel this program can be more efficiently and effectively delivered solely by a governmental agency, please provide a detailed explanation in question 6 of the application.

Other County departments and quasi-governmental agencies are also eligible to apply for funds for other CDBG and/or ESG eligible activities. If you wish to apply for funding for infrastructure, public facilities, economic development activities, housing development or rehabilitation, or historic preservation activities, please contact Federal Programs staff at 240-777-3600 to find out what form of application should be submitted. Applications for these types of projects must still be submitted by September 15, 2003, so plan accordingly.

### HOW MUCH MAY I REQUEST?

For the first time last year, the County has capped the size of grant requests at \$45,000. Applicants may not request more than \$45,000 for any one project. There is no minimum grant amount for which you may apply. This policy change results from the increasing number of applications the County receives each year, as well as the increasing size of the grants that applicants request.

### ARE THERE SUBMISSION REQUIREMENTS THAT I SHOULD KNOW ABOUT?

1. Submit a separate application for each project for which you are requesting funding.
2. Complete all the information requested in the space provided in the application. Do not vary your submission from the sequence or format presented in the application.

3. The application is available on disk (Microsoft Word 2000) by calling Federal Programs staff at 240-777-3600; however, **applications should be submitted in hard copy, rather than on disk.**
4. Only complete applications received by the deadline will be considered for funding and reviewed. Use both the Completeness Checklist and the Attachments Checklist included in this application packet to help ensure that your application is complete.
5. Incomplete applications will be returned to the applicant. An applicant will be given seven calendar days to provide missing information for applications that are substantially complete but have minor omissions. Examples of omissions that an applicant will be given the opportunity to correct include a missing signature or federal identification number. Minor omissions do not include application questions that have been left unanswered or failure to submit a budget or requested attachments.
6. Applicants must use the required forms, including the **budget form.**

#### **WHERE SHOULD I SUBMIT MY APPLICATION? IS THERE A DEADLINE?**

Submit **one original** and **two copies** of the application (you only need to submit one copy of the required attachments) no later than 4:00 p.m. on Monday, September 15, 2003 to:

Montgomery County Department of Housing & Community Affairs  
Federal Programs Section  
100 Maryland Avenue, Fourth Floor  
Rockville, MD 20850

#### **I HAVE SUBMITTED AN APPLICATION; WHEN WILL I HEAR ABOUT FUNDING?**

If the County Council approves your application, funds will most likely not be available before September, 2004. Major milestones are as follows:

- Notification in writing that your application has been received (unless you hand-delivered the application and received a receipt upon delivery) - *September, 2003*
- Staff reviews your application for completeness and eligibility. Applicants are notified in writing if an application is deemed ineligible for funding. Incomplete applications are returned - *October, 2003*

- The Community Development Advisory Committee (CDAC) holds a public hearing to solicit community input regarding priority needs - *October 14, 2003*
- CDAC members review applications; applicants are scheduled to meet with members to discuss their applications and answer questions - *October/November/December, 2003*
- CDAC members make funding recommendations to the County Executive - *January/February, 2004*
- Applicants notified in writing of the County Executive's recommendations - *March, 2004*
- County Executive submits recommended budget to the County Council; County Council holds hearings on the budget - *March/April, 2004*
- County Council approves budget; applicants notified in writing of final funding decisions - *June, 2004*
- Staff and applicants discuss contract language and requirements; staff draft contracts - *July through September, 2004*
- Funds released by U.S. Department of Housing & Urban Development - *September, 2004*
- Staff and grantee finalize and execute contract - *September, 2004*
- Grantee receives Notice to Proceed, and can begin drawing down funds - *September/October, 2004*
- Grantee delivers services and spends funds - *Twelve month period, beginning with Notice to Proceed, 2004 through 2005*

## INCOME LIMITS

Any CDBG/ESG funded activity must serve at least 51 percent low- and moderate-income (LMI) persons. The most recent income levels for these two categories are shown on *page ii*.

## SHOULD I APPLY FOR CDBG FUNDING, ESG FUNDING, OR BOTH?

Applicants do not need to specifically request the funding source (CDBG or ESG) that should be used to fund their project. If an application is selected for funding, members

of the CDAC and DHCA staff will determine whether CDBG, ESG, or a combination of both is most appropriate for the project based on its characteristics.

## **SELECTED COMMUNITY DEVELOPMENT AREAS**

Under the County's CDBG/ESG funding policies and priorities, proposed activities that are concentrated within other assisted housing communities, areas of concentrated code enforcement, Neighborhood Business Development Districts, and/or selected community development areas receive priority consideration for funding. A list of these areas and maps may be found beginning on *page ix* of this packet.

## **APPLICATION IN ALTERNATE FORMATS**

This application is available on computer disk in Microsoft Word 2000. If you complete this application on a computer, it is important to *limit your answers to the space provided*. You should maintain the given page numbers using a font size of *11 points* or above. Typically, the CDAC reviews over 45 applications each year - it is to your benefit to keep your responses *succinct* and *brief*!

## **WHAT IF I HAVE QUESTIONS?**

Staff of the Federal Programs Section encourages your questions and are available to provide technical assistance over the telephone or in person. You may contact us by calling (240) 777-3600.

## COMPLETENESS CHECKLIST AND TABLE OF CONTENTS

This completeness checklist is provided to help you ensure that your application is complete and includes all the required elements. Place an "X" in the space provided once a particular piece of information is included and a section is complete.

<u>SECTION</u>	<u>PAGES</u>
___ 1. COVER PAGE	p. 1
___ Certification	
___ Federal I.D. Number	
___ 2. EXECUTIVE SUMMARY	p. 2
___ 3. PROJECT NEED	p. 3
___ 4. PROJECT DESCRIPTION (questions #4a. through #4e.) (IMPORTANT: Specific Project Goals, question #4c.)	pp. 4 - 8
___ 5. ORGANIZATION EXPERIENCE AND CAPABILITY (questions #5a. and #5b.)	pp. 9 - 11
___ 6. COMMUNITY DEVELOPMENT (COLLABORATION) (questions #6a. and #6b.)	p. 12
___ 7. ACTION PLAN (questions as #7a. - #7d.)	pp. 13 - 19
___ Project Budget, using the forms provided in #7a	
___ Timeline as requested in #7c.	
___ Key Staff Resumes as requested in #7d.	
___ 8. LEVERAGING (questions #8a. - #8f.)	pp. 19 - 21
___ Evidence of other funding commitments as requested in #8b. (e.g. commitment letters)	
___ FOR SECOND AND THIRD FUNDING REQUESTS ONLY	pp. 22 - 23

## ATTACHMENT CHECKLIST

Please complete and submit this checklist with a copy of the following documents (#1 through #6), **if applicable**. Please label the documents using the document name and numerical order below. Please place all attachments at the end of the application. On the checklist, indicate by an "X" if the document is attached.

- \_\_\_ 1. Internal Revenue Service letter granting tax exempt nonprofit status 501(c)(3).
- \_\_\_ 2. Board of Director's listing including names, titles, terms of office (if any), and addresses of all members.
- \_\_\_ 3. Organizational chart or organizational structure.
- \_\_\_ 4. Organization's total fiscal budget (current year) and most recent audit.
- \_\_\_ 5. Resumes of chief administrative and chief fiscal officers, and key staff who will work on the proposed project (if known).
- \_\_\_ 6. Two (2) letters of community support (from other organizations, former or current clients, elected officials, etc.).

**NOTE:** Organizations whose projects are approved for funding will be required to enter into a contract with Montgomery County for implementation of the funded activity. This contract will contain provisions that will ensure compliance with all federal, state, and local laws and regulations. Upon execution of the contract and depending upon the type of activity, the organization will be required to submit other documents and information including, but not limited to: personnel rules and regulations, sample agency or organization timesheet; and proof of insurance coverage.

**SECTION 1 - COVER PAGE**

**MONTGOMERY COUNTY**

**Community Development Block Grant (CDBG)  
Emergency Shelter Grant (ESG)  
Fiscal Year 2005**

<b>(For DHCA Use Only)</b>		
<b>APPLICATION NUMBER</b>		
_____		
Year 1	Year 2	Year 3
___	___	___

Project Title: \_\_\_\_\_

Amount of CDBG/ESG Funds Requested: \$ \_\_\_\_\_

Amount of Total Project Budget: \$ \_\_\_\_\_

***Applicant Information:***

Legal name of Applicant/Organization:  
\_\_\_\_\_

Type of Organization:      Nonprofit \_\_\_              Government \_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Telephone: \_\_\_\_\_

Title: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

***Certification:***

*"I certify that I have reviewed this application and that, to the best of my knowledge and belief, all of the information provided in this application is true."*

\_\_\_\_\_  
Signature of Authorized Representative                      Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title    Federal I.D. Number

**SECTION 2 - EXECUTIVE SUMMARY**

In the box below, provide a *brief* summary of your project. Describe: WHAT you will do, WHO you will serve, Why the project is needed, WHERE you will do it, and WHAT you will fund with CDBG/ESG funds. (NOTE: More information is requested later; this space is for a *brief* overview of your project.)

**SECTION 3 - PROJECT NEED**

*“Activities should provide new or expanded services that respond to critical, identifiable unmet needs.”*

What unmet community need(s) will your project address, how did you determine that this need(s) exists, and how will your project address this need(s)?

#### **SECTION 4 - PROJECT DESCRIPTION**

*"Activities should enable and empower those served to achieve their highest level of self-sufficiency."*

*"The activity should stress long-term, innovative solutions and hold the promise of serving as a catalyst for change."*

4a. How will your project foster self-sufficiency of the client population served? Describe any factors that make your proposal unique or innovative:

4b. Location of Project:

*"Priority will be given to activities in selected community development areas."*

1. Please provide the actual street address(es) where the staff implementing this project will be physically located:

\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
(Street Address)

2. Please describe the primary service area(s) for this project; that is, the geographic area from which most of the clients will come (e.g. by streets, neighborhoods, communities, or census tracts). If the service area is countywide, please state that, but if beneficiaries tend to come from certain neighborhoods, areas or parts of the county, please identify those areas.

3. County funds must be spent entirely within Montgomery County, and all people directly served with County CDBG/ESG funds must be County residents. Will any people living outside Montgomery County be directly served under this project?

Yes \_\_\_ No \_\_\_ (If "yes," what other funds will be used to serve these people?):

**4c. Project Goals:**

*"The activity should have clearly stated goals and evaluation criteria that are specific, measurable, and realistic."*

List the expected project goals and accomplishments. What specific, quantitative, and measurable performance measures will you use to determine if your expected outcomes have been achieved? (You may attach **one (1) additional page**, if necessary; please label this page "Response to question 4c." on the top of the attached page):

GOALS	SERVICE DELIVERY PROCESS	PERFORMANCE MEASURES
"What do you want to achieve?"	"How will you achieve it?"	"How will you know if you are successful?"

**4d. Previous Project Implementation:**

Have you, or are you aware of others, who have carried out or attempted this project in Montgomery County before? Yes \_\_\_ No \_\_\_ Second/Third Year Request \_\_\_

If "yes," please explain:

(NOTE: If this is a second or third year funding request, you must also answer questions 8f.1 through 8f.6 on pages 22 and 23.)

**4e. Beneficiaries:**

1. Estimate the total number of people who will directly benefit from this project: \_\_\_\_\_
2. Estimate the total number of low- and moderate-income\* people who will directly benefit from this project: \_\_\_\_\_
3. What percentage of the total people served are expected to be of low- and moderate-income\*: \_\_\_\_\_%

Please identify source of estimates: \_\_\_\_\_

(\* - Please see the APPLICATION INSTRUCTIONS for the definition of "low- and moderate-income".)

4. IMPORTANT: Describe how you will document that at least 51% percent of your beneficiaries will have low- or moderate-incomes, as defined by HUD.

5. Please identify the primary beneficiaries this project will serve, and the number under each group. More than one group may be identified:

Special Needs Population	Number
Persons who are homeless	
Persons with physical disabilities	
Persons with mental disabilities	
Elderly persons	
At-risk children and youth (type of risk: _____)	
Other (specify: _____)	
Persons with multiple special needs as listed above (specify: _____)	

6. What is the estimated number of minority people/households to be served by this project?: \_\_\_\_\_

7. What percentage falls into each of the following categories?:

Racial Category	Percentage of People
White	
African-American	
Hispanic	
Asian/Pacific Islander	
American Indian/Alaska Native	
<b>TOTAL</b>	<b>100%</b>

**SECTION 5 - ORGANIZATION EXPERIENCE AND CAPABILITY**

*“Priority will be given to activities that have a clear plan of action that is consistent with the budget and that demonstrate that the applicant has the capability to implement the proposed plan.”*

**NOTE:** New groups are encouraged to enter into partnerships with more experienced groups and/or obtain qualified consultants to help implement the project.

**5a. Organization Background:**

1. List the date your organization was incorporated: \_\_\_\_\_ and the date operations began: \_\_\_\_\_
3. Number of paid staff in your organization: Full-time: \_\_\_\_\_ Part-time: \_\_\_\_\_
4. Number of paid staff currently with your organization who will work on the project:\* Full-time: \_\_\_\_\_ Part-time: \_\_\_\_\_
5. Number of new staff who will be hired to work on the project, if funded: Full-time: \_\_\_\_\_ Part-time: \_\_\_\_\_
6. Will a consultant(s) or contract staff be hired to help implement the project?  
Yes \_\_\_ No \_\_\_

If “yes,” please explain the services the consultant or contract staff will offer (**NOTE:** if you are funded, any subcontracts entered into are subject to approval by DHCA):

**ATTACH:** the following information at the end of the application:

- \_\_\_ IRS letter granting tax exempt nonprofit status 501(c)(3);
- \_\_\_ Board of Director’s listing including names, titles, terms of office (if any), and addresses of all members;
- \_\_\_ Organization chart or organizational structure.

7. What is the amount of your current annual operating budget? \$ \_\_\_\_\_

List your major source(s) of funding:

_____	\$
_____	\$
_____	\$
_____	\$
_____	\$
_____	\$
_____	\$
_____	\$

8. Do you currently receive, or are you applying for, funding through other County agencies (such as the Departments of Health and Human Services and/or Recreation)?

Yes \_\_\_\_ No \_\_\_\_

If "yes," provide information on the activity funded, the County's contact person, and the department/agency:

**ATTACH:** At the end of the application, attach one copy of your organization's annual budget for the current year and your last year's audit at the end of the application.

**5b. Organization Mission and Activities:**

1. Describe your organization's mission and how your proposed project fits in with your organization's mission and current activities:

2. Describe your organization's most recent key accomplishments:

**SECTION 6 - COMMUNITY DEVELOPMENT (COLLABORATION)**

*"The activity should be integrated with other community services and provided in collaboration with other service providers."*

6a. Will you enter into a partnership with any other organization(s) to undertake this project?: Yes \_\_\_ No \_\_\_ . If "yes," please list the organization(s) and its contribution(s). If "no," explain why not:

6b. Is this proposed project coordinated with or a part of any ongoing housing or community development program? Yes \_\_\_ No \_\_\_ . If "yes," explain how:

6c. Describe how the services of the project will be coordinated with other services in the community:

**SECTION 7 - ACTION PLAN**

*"The activity should have a clear plan of action that is consistent with the budget and that demonstrates that the applicant has the capacity to implement the proposed plan."*

**7a. Budget:**

[PLEASE COMPLETE THE BUDGET ON THE FOLLOWING PAGES - YOU MUST USE THIS FORM - Do not attach a different budget form]

7b. In the past, the County has often provided partial funding for multiple projects instead of full funding for a few projects so that it could address numerous requests. Please describe, in detail, the specific changes that you will make to your project or scope of services if your project is partially funded (e.g. Could this project be undertaken on a smaller scale, with fewer people served? How? Could additional funds be obtained from other sources?):

**INSTRUCTIONS FOR BUDGET FORMS:**

The following budget information is only for the project for which you are requesting funds. You should not include your organization's total operating budget

In Column A, list the titles of all positions to be funded in whole or in part with CDBG/ESG funds.

In Column B, for each employee shown in column A, list the total hours per week to be spent on the CDBG/ESG project over the total hours worked in a week. For example, a staff person who works full-time on the project would be shown as 40/40, while an employee who works part-time (for example, 10 hours per week) on the project would be shown as 10/40.

In Column C, show the hourly rate to be paid for each position. For similar positions with different hourly rates (due to length of service, for example), either use different lines for each staff person, or use the highest rate for the position title

In Column D, show the total CDBG/ESG budget for this line item (hourly rate times the number of CDBG/ESG hours)

In Column E, show other project funds that will be allocated to each line item. This includes other funds such as grants from other governmental agencies or private foundations, or general operating funds provided by the grantee.

Under the FRINGE BENEFITS section, show the percent to be applied for each line item under column C. Multiply this percentage by the total salaries for each fringe item.

The TOTAL SALARIES & BENEFITS line should be the subtotal of all costs shown in Part I. This figure will be included in the GRAND TOTAL under Part II.

**BUDGET FORM FOR FY 2005**

NOTE: Not all line items under parts I and II may apply; only fill in costs for those that apply. Applicants requiring assistance with this form should call the DHCA at 240-777-3600. Remember that funds will not be available until the late-Summer of 2004.

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>I. PERSONNEL COSTS</b>				
<b>SALARIES</b> (List all positions to be assigned to this project)	<b>CDBG HRS./ TOTAL HRS. PER WEEK</b>	<b>HOURLY RATE</b>	<b>TOTAL CDBG/ESG BUDGET (CDBG hrs. X Rate)</b>	<b>OTHER FUNDS</b>
_____	/	\$ _____	\$ _____	\$ _____
_____	/	\$ _____	\$ _____	\$ _____
_____	/	\$ _____	\$ _____	\$ _____
_____	/	\$ _____	\$ _____	\$ _____
_____	/	\$ _____	\$ _____	\$ _____
_____	/	\$ _____	\$ _____	\$ _____
_____	/	\$ _____	\$ _____	\$ _____
<b>TOTAL SALARIES</b>			\$ _____	\$ _____
<b>FRINGE BENEFITS</b>		<b>PERCENT</b>	<b>TOTAL CDBG/ESG BUDGET (% X Total Salaries)</b>	<b>OTHER FUNDS BUDGET</b>
<b>FICA</b>		_____ %	\$ _____	\$ _____

Retirement	%	\$		\$
Insurance	%	\$		\$
Workman's Compensation	%	\$		\$
State Unemployment Insurance	%	\$		\$
Other (Specify)	%	\$		\$
	%	\$		\$
	%	\$		\$
<b>TOTAL SALARIES &amp; BENEFITS</b>	%	\$		\$

**II. OPERATING COSTS**

			TOTAL CDBG/ESG BUDGET	OTHER FUNDS BUDGET
Office Rent		\$		\$
Audit & Accounting(1)		\$		\$
Books & Publications		\$		\$
Conference & Training		\$		\$
Equipment Leasing/Maintenance(2)		\$		\$
Insurance(3)		\$		\$
Legal		\$		\$
Local Mileage		\$		\$
Office Supplies/Materials		\$		\$
Postage		\$		\$
Printing		\$		\$
Telephone		\$		\$
Fidelity Bond Insurance		\$		\$
Utilities (List Separately)		\$		\$

Other (Specify)

---

---

**TOTAL OPERATING COSTS**

---

**GRAND TOTAL**

---

---

\$		\$
_____		_____
\$		\$
_____		_____
\$		\$
_____		_____
\$		\$
_____		_____
\$		\$
_____		_____

- (1) Funding recipients are required to meet federal audit requirements as outlined in OMB Circular A-133. Federal funds may be used to help pay the costs of such an audit. (For a copy of A-133, contact your accountant or Montgomery Co. DHCA.)
- (2) Funding recipients may NOT purchase equipment with federal funds.
- (3) Funding recipients are required to meet Montgomery County's general insurance requirements (see fact sheet). Federal funds may be used to pay any increased insurance premium costs.

7c. **Timing:** Any CDBG/ESG funds awarded should be fully expended within a 12-month period from the date of the contract signing. Please show below how activities will be undertaken and funds spent to meet this time frame requirement:

Calendar Quarter	Activities Undertaken and/or Results Achieved	Estimated CDBG/ESG \$ Drawn Down	Other Project Funds Drawn Down
First 3 Months			
Second 3 Months			
Third 3 Months			
Fourth 3 Months			

**7d. Key Staff and Resumes:**

1. Name the key people responsible for carrying out this project and provide their telephone numbers:

Name	Title	Telephone #
_____	_____	_____
_____	_____	_____
_____	_____	_____

2. For each of the staff people listed above, provide the following information:

Name	Years with Organization	Job Responsibilities Relevant to Proposed Project	Percentage of Time to be Devoted to Project
------	-------------------------	---	---

**ATTACH:** Resumes of your chief administrative and chief financial officers, and key staff who will work on the project (if known) at the end of the application. This information should enable the reviewer to determine the years of applicable experience and key accomplishments in areas relevant to the proposed activity for which funds are requested.

**SECTION 8 - LEVERAGING**

*"The activity should be supported by multiple funding sources and/or have well developed plans for seeking additional funding."*

8a. Under the County's policy, an organization cannot receive funds for more than three years for the same project. List any prior CDBG, ESG, or HOME funds received for this project, or for any other CDBG/ESG project, within the last 5 years:

Project Name: \_\_\_\_\_

CDBG/ESG Funds Received \$ \_\_\_\_\_ Year prior funds received: \_\_\_\_\_

Project Name: \_\_\_\_\_

CDBG/ESG Funds Received \$ \_\_\_\_\_ Year prior funds received: \_\_\_\_\_

Project Name: \_\_\_\_\_

CDBG/ESG Funds Received \$ \_\_\_\_\_ Year prior funds received: \_\_\_\_\_

Project Name: \_\_\_\_\_

CDBG/ESG Funds Received \$ \_\_\_\_\_ Year prior funds received: \_\_\_\_\_

8b. 1. Have you applied for funding from other sources for this project?

Yes \_\_\_ No \_\_\_. If "no," why not?



2. If you will use volunteers or in-kind contributions for this project, please explain:

8d. Does the project need federal funds after FY 2005?\* Yes \_\_\_ No \_\_\_

If so, how much? \$\_\_\_\_\_ For how long? \_\_\_\_\_

Why is continued funding needed?

(\* - NOTE: A "yes" answer does not guarantee future funding.)

8e. VERY IMPORTANT: Explain, in detail, how you will continue this project once County funds are no longer available. (Even if this is a first year request, please provide a well thought-out fund raising plan to be undertaken once county funds are no longer available - regardless of whether the county funds are no longer available after year one or year three):

**8f. FOR SECOND AND THIRD YEAR FUNDING REQUESTS ONLY** (If you are applying for second or third year funding, please complete questions 8f. 1. through 8f. 7.):

1. What steps have you taken to secure other sources of funds for this project and to ensure the continuation of this project once County funds are no longer available?:

2. If applicable, please describe any modifications in the scope of activities from what was previously funded:

3. Evaluate the success of your project to date:

4. Total number of people and/or households directly served since project began:

People \_\_\_\_\_ Households \_\_\_\_\_

5. Total number of low- and moderate-income\* people and/or households directly served since project began: People \_\_\_\_\_ Households \_\_\_\_\_

(\* - Please refer to the APPLICATION INSTRUCTIONS for the definition of "low- and moderate-income")

6. Demographic break-out of people and/or households directly served since project began:

<b>Racial Category</b>	<b>Number of People</b>	<b>Number of Households</b>
White		
African-American		
Hispanic		
Asian/Pacific Islander		
American Indian/ Alaska Native		

- end -

## APPENDIX 11

**FY 05 Locally Funded Private Agency Request  
Non-Competitive Contract Awards**

	<b>Organization</b>	<b>Description</b>	<b>Amount</b>
1.	Caribbean Help Center	Funding for operating support.	10,000
2.	CASA of Maryland, Inc.	Funding for costs associated with CASA using space in schools.	50,000 <sup>1</sup>
3.	Catholic Charities	Funding for an emergency services worker.	50,000
4.	Catholic Charities	Funding for an outreach specialist.	42,010
5.	Catholic Charities	Funding for a health and wellness coordinator.	48,230
6.	Community Ministry of Montgomery County	Funding for Community Vision for training and case management services for the homeless in Silver Spring.	160,000
7.	Community Support for Autistic Adults and Children	Funding for bond bill match for renovation.	467,000
8.	Family Learning Solutions, Inc.	Funding for an after school program.	50,000
9.	George B. Thomas Learning Academy	Funding for a Saturday School.	200,000
10.	Impact Silver Spring, Inc.	Funding for operating support.	74,000
11.	Jewish Coalition Against Domestic Abuse	Funding for office equipment.	8,000
12.	Jewish Council for the Aging	Funding for a wheelchair accessible bus.	65,000
13.	Jewish Foundation for Group Homes, Inc.	Funding for a seven passenger van.	20,000
14.	Jewish Social Services Agency, Inc.	Funding for a case management database.	30,000
15.	Lt. Joseph P. Kennedy Institute, Inc.	Funding for the autism waiver program.	20,000
16.	Spanish Catholic Center	Funding for a case worker.	10,000
17.	Spanish Catholic Center, Inc.	Funding for ESOL in Gaithersburg.	22,000
18.	Spanish Catholic Center	Funding for a nurse administrator.	32,000
19.	Victory Youth Center	Funding for bond bill match for new construction.	500,000
	<b>TOTAL</b>		<b>1,858,240</b>

Source: OLO and FY 05 Approved Operating Budget.

<sup>1</sup> This award amount includes \$40,000 for an Executive Private Agency Request plus \$10,000 for a County Council grant.

## APPENDIX 12

**FY 05 Locally Funded County Council  
Non-Competitive Contract Awards**

	<b>Organization</b>	<b>Description</b>	<b>Amount</b>
1.	Adventist Healthcare, Inc	Provides capital funds for children's inpatient psychiatric services.	125,000
2.	African Immigrant and Refugee Foundation	Provides tutoring and mentoring.	20,000
3.	African-American Festival of Academic Excellence	Provides awards given to high achieving African American students.	15,000
4.	ARC of Montgomery County	Provides after school and summer respite care for children with disabilities.	50,000
5.	Caribbean Help Center	Provides services to the low-income French Creole community.	20,000
6.	CASA of Maryland, Inc.	Provides employment, training and supportive services to multicultural residents.	140,000
7.	CASA of Maryland, Inc.	Provides for a community center at Pine Ridge apartments.	80,000
8.	Catholic Charities	Provides for one-time relocation costs to a new multi-cultural service center.	35,000
9.	Centro Familia	Provides training for Spanish speaking child care providers.	60,000
10.	Food and Friends	Provides meal service delivery to individuals with life threatening illnesses.	34,000
11.	George B. Thomas Learning Academy	Provides tutoring and mentoring.	200,000
12.	Great Strides Therapeutic Riding	Provides therapeutic riding for persons with mental illness and other disabilities.	20,000
13.	Impact Silver Spring, Inc.	Provides community involvement and leadership programs.	15,000
14.	Interages, Inc.	Provides a resource center focusing on intergenerational programs and resources.	51,440
15.	Jewish Community Council of Greater Washington	Provides information and assistance in Russian for new immigrants.	20,000
16.	Jewish Foundation for Group Homes, Inc.	Provides for the purchase of a new van.	20,000
17.	Korean American Association of Maryland	Provides social services program.	30,000
18.	Korean American Association of Maryland	Provides computer training.	20,000
19.	Korean American Association of Maryland	Provides English training.	40,000

**FY 05 Locally Funded County Council  
Non-Competitive Contract Awards (continued)**

	<b>Organization</b>	<b>Description</b>	<b>Amount</b>
20.	Korean American Senior Citizen's Association of Maryland	Provides home helper services.	25,000
21.	Korean Community Service Center of Greater Washington	Provides senior and mental health outreach.	45,000
22.	League of Korean Americans of Montgomery County	Provides outreach, training, and education.	40,000
23.	Lt. Joseph P. Kennedy Institute, Inc.	Provides for the purchase of a new van.	35,000
24.	Luther Rice Neighborhood Center	Provides an after school program.	10,000
25.	Mental Health Association of Montgomery County, MD, Inc.	Provides crisis preparedness services.	35,000
26.	Migrant and Refugee Cultural Support	Provides assistance to immigrants who are victims of domestic violence.	45,000
27.	Mobile Medical Care, Inc.	Provides for the repair and upgrade of the medical van.	20,000
28.	Our House	Provides renovations for youth residential program.	25,000
29.	Potomac Community Resources c/o Our Lady of Mercy	Provides community participation for persons with developmental disabilities.	10,000
30.	Rebuilding Together	Provides Christmas/Sukkot in April.	25,000
31.	Red Wiggler Community Farm	Provides capital improvements at a new site.	20,000
32.	Top Banana	Provides grocery service for low income seniors.	20,000
33.	TransCen	Provides for supported employment to young adults with disabilities.	30,000
34.	UpCounty Interfaith Clothing Center	Provides operating support.	30,000
35.	Washington Chiefs	Provides mentoring program.	15,200
36.	Washington Youth Foundation	Provides after school program and family counseling.	45,000
	<b>TOTAL</b>		<b>1,470,640</b>

Source: OLO and FY 05 Approved Operating Budget.

## Competitive and Discretionary Grants by Organization

	ORGANIZATION	Community Service Grants	Community Empower. Grants	Community Dev. Block Grants	Emergency Shelter Grants	Private Agency Requests	County Council Grants
1	Cambodian Senior Association of Greater Washington	√					
2	Mercy Health Clinic	√					
3	Muslim Community Center, Inc.	√					
4	Primary Care Coalition of Montgomery County, MD, Inc.	√					
5	Reginald S. Lourie Center for Infants and Young Children	√					
6	YMCA of Metropolitan Washington	√					
7	Consumer Credit Counseling		√				
8	Asian Pacific American Legal Resource Center			√			
9	Chinese Culture and Community Service Center			√			
10	Community Bridges			√			
11	Crossway Community, Inc.			√			
12	Gapbuster Learning Center			√			
13	Hebrew Home of Greater Washington			√			
14	Housing Opportunities Community Partners, Inc.			√			
15	Long Branch Athletic Association (LBAA)			√			
16	MC Language Minority Health Project			√			
17	Montgomery Volunteer Dental Clinic			√			
18	NAMI of Montgomery County			√			
19	National Center for Children and Families			√			
20	Ninos Unidos de Montgomery County, Inc.			√			
21	Senior Connection of Montgomery County			√			
22	Silver Spring Interfaith Housing Coalition			√			
23	St. Luke's House			√			
24	Teen Connection of Takoma, Inc.			√			
25	The Shepherd's Table			√			
26	Upper Montgomery Assistance Network			√			
27	Silver Spring Community Vision				√		
28	Community Support for Autistic Adults and Children					√	
29	Jewish Coalition Against Domestic Abuse					√	
30	Jewish Council for the Aging					√	
31	Victory Youth Center					√	
32	Adventist Health Care Inc.						√
33	African American Festival of Academic Excellence						√
34	African Immigrant and Refugee Foundation						√
35	ARC of Montgomery County						√
36	Centro Familia						√
37	Great Strides Therapeutic Riding						√
38	Interages						√
39	Jewish Community Council of Greater Washington						√
40	Korean American Association of Maryland						√
41	Korean Community Service Center of Greater Washington						√
42	Mental Health Association of Montgomery County MD						√
43	Migrant and Refugee Cultural Support						√
44	Our House						√
45	Potomac Community Resources c/o Our Lady of Mercy						√

## Competitive and Discretionary Grants by Organization

	ORGANIZATION	Community Service Grants	Community Empower. Grants	Community Dev. Block Grants	Emergency Shelter Grants	Private Agency Requests	County Council Grants
46	Red Wiggler Community Farm						√
47	Top Banana						√
48	Transcen						√
49	UpCounty Interfaith Clothing Center						√
50	Washington Chiefs						√
51	Washington Youth Foundation						√
52	Montgomery Coalition for the Homeless		√		√		
53	Family Learning Solutions, Inc.			√		√	
54	Spanish Catholic Center, Inc.			√		√	
55	Food & Friends			√			√
56	Korean American Senior Citizen's Assoc.of MD, Inc.			√			√
57	League of Korean Americans of Montgomery County			√			√
58	Luther Rice Neighborhood Center			√			√
59	Caribbean Help Center					√	√
60	CASA of Maryland					√	√
61	George B. Thomas Learning Centers					√	√
62	IMPACT Silver Spring					√	√
63	Jewish Foundation for Group Homes					√	√
64	Lt. Joseph P. Kennedy Institute					√	√
65	Jewish Social Service Agency	√		√		√	
66	Mobile Medical Care, Inc.	√		√			√
67	Rebuilding Together Montgomery County	√		√			√
68	Community Ministry of Montgomery County, Inc.			√	√	√	
69	Catholic Charities				√	√	√
	TOTAL NUMBER OF AWARDS OR ORGANIZATIONS	9	2	29	4	15	33

MONTGOMERY COUNTY CODE  
Chapter 11B

§11B-12

- (2) none of the bids or proposals received are acceptable;
  - (3) none of the bids or proposals received meets County price or budget limitations, including fairness and reasonableness of price; or
  - (4) none of the bidders or offerors are responsible.
- (b) The Director must announce by public notice the County's intent to enter into competitive negotiations. The public notice must name the person with whom the County intends to negotiate.
- (c) If no timely bid or proposal is received or only one timely bid is received, competitive negotiations may take place concurrently with all those solicited who indicate a desire to participate in the negotiations. If more than one bid or proposal is received, negotiations may be held with the bidder or offeror who most nearly meets the County's requirements, including price, to attempt to negotiate an acceptable offer. If negotiations fail with the most qualified bidder or offeror, negotiations may proceed to the next most qualified bidder or offeror. (1994 L.M.C., ch. 30, § 1.)

**Sec. 11B-13. Informal solicitation.**

A contract may be awarded under an informal solicitation if requirements, which should include monetary thresholds, established under regulations are met. An informal solicitation is a means to select a contractor other than by competitive sealed bids or competitive sealed proposals. (1994 L.M.C., ch. 30, § 1.)

**Sec. 11B-14. Non-competitive contract award.**

- (a) A contract may be awarded without competition if the Chief Administrative Officer makes a written determination that the contract award serves a public purpose and:
- (1) there is only one source for the required goods, service, or construction which can meet the minimum valid needs of the County, including timeliness of performance;
  - (2) the contract is in connection with potential or pending litigation, condemnation, or collective bargaining;
  - (3) a proposed contractor or subcontractor has been specifically identified in a grant accepted by the County; or
  - (4) a proposed contractor has been identified in a grant or appropriation resolution approved by the Council.

- (b) A non-competitive award under paragraph (a)(1) must not be made without the approval of the Chief Administrative Officer if the value of the award exceeds the monetary threshold for an informal solicitation under Section 11B-13. (1994 L.M.C., ch. 30, § 1.)

**Sec. 11B-15. Open solicitation.**

- (a) The Director may award a contract to a person who meets pre-established minimum qualifications under an open solicitation. An open solicitation may only be used when the County can utilize the goods or services of all qualified offerors and expects to award a contract to each qualified person who applies for a contract subject to the availability of funds. An open solicitation permits the County to receive and act on an application for a contract award on a continuing basis.
- (b) An open solicitation must be accomplished under a plan approved by the Chief Administrative Officer which:
- (1) provides for periodic review and approval by the Chief Administrative Officer;
  - (2) establishes a process for a person to apply for a contract;
  - (3) provides for periodic public notice inviting potential contractors to apply for a contract;
  - (4) establishes the criteria under which an application for a contract will be accepted or rejected;
  - (5) uses a preapproved form contract which must be entered into by a successful applicant; and
  - (6) ensures that the cost of all contracts entered into under the open-ended solicitation will not exceed available funds. (1994 L.M.C., ch. 30, § 1.)

**Sec. 11B-16. Emergency procurement.**

The Director may make or may authorize the head of a using department to make an emergency procurement when there exists a threat to public health, welfare, or safety under emergency conditions as defined in regulations. An emergency procurement must be made with competition to the extent practical under the circumstances. (1994 L.M.C., ch. 30, § 1.)

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4.1.12 Non-Competitive Procurements

4.1.12.1 General

A non-competitive procurement is the acquisition by contract of a valid County requirement without prior public notice and without competition.

4.1.12.2 Authority

The Director may make a non-competitive award unless the non-competitive award is based on a sole source justification and the estimated value of the award is above \$25,000. If the estimated value of the non-competitive award based on a sole source justification exceeds the threshold for an IFB or RFP, the CRC may approve a non-competitive award after reviewing justification from the Using Department and review from the Office of Procurement. A non-competitive award must be based on a determination and finding.

4.1.12.3 Use

A non-competitive procurement may be made if the non-competitive award serves a public purpose and one or more of the following factors exist:

- (a) There is only one source for the required goods, service, or construction which can meet the minimum valid needs of the County. The basis for identifying a sole source includes:
  - (1) Proprietary, patented, or copyrighted items or information are available from only one source;
  - (2) The valid performance or delivery due dates required by the County can be met by only one source;
  - (3) The required compatibility of equipment, accessories, software, or replacement parts can be met by only one source;
  - (4) The County requires for trial use or testing an item or service available from only one source;

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- (5) Required public utility services are available from only one source; or
  - (6) A continuous series of procurements from a single source over a period of time is advantageous as demonstrated by a cost benefit analysis demonstrating that considerations of training, replacement parts, and compatibility with existing capital investments justify the use of a sole source.
- (b) The County requires goods or services for potential or pending litigation, condemnation, or collective bargaining.
  - (c) A contractor or subcontractor has been specifically identified in a grant accepted by the County.
  - (d) A proposed contractor has been identified in a grant resolution approved by the Council.

4.1.12.4 Contents

A non-competitive procurement must contain, at a minimum, the following documentation:

- (a) A contract which includes specifications reflecting the minimum valid needs of the County. The specifications must be narrowly drawn so as not to exceed the reason which justifies the non-competitive award.
- (b) A memorandum from the Using Department Head to the Director which contains a full explanation and justification for the non-competitive procurement.

4.1.13 Standardized Procurements

4.1.13.1 General

A standardized procurement is a purchase of goods that the CRC determines to be equipment for which standardization and interchangeability of parts is necessary or is otherwise in the public interest. A standardized procurement should include competition when reasonably available. Standardization approval must be for a stated period which bears a reasonable relationship to the life of the equipment and the specialized training or specialized equipment

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Examples of mistakes that are clearly evident on the face of the bid document are typographical errors, errors in extending unit prices, transposition errors, and arithmetical errors.

6.2.4.2 A bidder may be permitted to withdraw a low bid if:

(a) A mistake is clearly evident on the face of the bid but what was intended is not similarly evident; or

(b) The bidder submits objective proof that clearly and convincingly demonstrates that a mistake was made.

6.2.4.3 If the Director determines that no mistake was made, the bid may not be withdrawn.

6.2.5 When a Using Department Head is authorized to make a procurement (i.e. direct purchase), the Using Department Head is authorized to make the determination of responsiveness in the place of the Director pursuant to the criteria enumerated above.

6.3 Responsibility

6.3.1 The reputation, past performance, business and financial capability and other factors determine the responsibility of an offeror and the capability of the offeror to satisfy government's needs and requirements for a specific contract. The offeror has the burden of demonstrating affirmatively its responsibility in connection with a particular solicitation. The Director must determine whether an offeror is responsible for a particular prospective contract. A debarred potential offeror must automatically be considered non-responsible in connection with any particular solicitation.

6.3.2 The factors that may be considered in connection with a determination of responsibility include:

6.3.2.1 The ability, capacity, organization, facilities, and skill of the offeror to perform the contract;

6.3.2.2 The ability of the offeror to perform the contract or provide the services within the time specified without delay, interruption or interference;

6.3.2.3 The integrity, reputation and experience of the offeror, and its key personnel;

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- 6.3.2.4 The quality of performance of previous contracts or services for the County or other entities. Past unsatisfactory performance, for any reason, is sufficient to justify a finding of non-responsibility;
- 6.3.2.5 The previous and existing compliance by the offeror with laws and ordinances relating to the contract or services;
- 6.3.2.6 The sufficiency of financial resources of the offeror to perform the contract or provide the services;
- 6.3.2.7 The certification of an appropriate accounting system, if required by the contract type. Advice should be obtained from the Department of Finance as to the accounting system required for the particular solicitation; and
- 6.3.2.8 A bid bond and the offeror's evidence of ability to furnish a performance bond may be considered in an overall determination of responsibility.
- 6.3.2.9 Past debarment by the County or other entity.
- 6.3.3 The Director may deny an award or modification of a contract to any offeror who is in default of payment of any money due the County.
- 6.3.4 Solicitations in which Using Departments make recommendations for awards to the Director must include a written recommendation with respect to the responsibility of the potential awardee. The Using Department should specify in detail the factual basis for its recommending a finding of responsibility of the potential awardee. In connection with this recommendation, the Using Department should review its files and the central performance file of the Office of Procurement with respect to the performance of the prospective awardee in previous contracts in the Using Department and the County, investigate performance of the prospective awardee in other contracts with the County and other entities to the extent practical, and ensure that the recommended awardee is not on a current Montgomery County suspension or debarment list.
- 6.3.5 Prospective offerors have the burden to demonstrate affirmatively their responsibility. An offeror may be requested at any time by the Director or the Using Department to provide additional information, references and other documentation and information that relate to the determination of responsibility. Failure to furnish requested information may constitute grounds for a finding of non-responsibility of the prospective offeror.

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- 6.3.6 When a Using Department is authorized to make a procurement (i.e., direct purchase), the Using Department Head is authorized to make the determination of responsibility in the place of the Director pursuant to the criteria enumerated above.

**11B.00.01.07 Minority Owned Business Contracting**

7.1 Purpose

The purpose of Section 7\* is to establish procedures to facilitate the goal of the County Government to remedy the effects of discrimination by awarding a percentage of the dollar value of County contracts, including contract modifications and renewals, over \$5,000 to minority owned businesses (MFD owned business or MFD) as defined in Chapter 11B of the County Code in proportion to the availability of MFD owned businesses to perform work under County contracts.

\*Editor's note—11B.00.01.07

7.2 Policy

- 7.2.1 The Director, with the assistance of Using Departments and employees involved in contracting and purchasing, must actively and aggressively recruit certified MFD owned businesses to provide goods, construction, and services, including professional services, for the performance of governmental functions to facilitate the MFD goal of the County. Procurements under \$5,000, grants that are appropriated by the County Council to specific grantees, utilities, intragovernmental procurements, and certain intergovernmental procurements including certain bridge contracts identified by the Director are excluded from the base against which the goal is measured.
- 7.2.2 Businesses that are certified as a minority business enterprise under State procurement law and certain non-profit entities organized to promote the interests of persons with a disability are eligible to be certified as an MFD business in accordance with these regulations. Certification is subject to the graduation provisions of Section 7.4.5.
- 7.2.3 These regulations are the County's exclusive procedure for the certification, recertification and decertification of MFD owned businesses.
- 7.2.4 Using Department Heads should seek the advice and concurrence of the Director in the development of internal operating procedures to implement the provisions of this procedure.

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7.3 General

7.3.1 In Section 7\* the term Washington, D.C. - Baltimore Consolidated Metropolitan Statistical Area has the same meaning as it has in Chapter 11B. The term MFD group or group of MFD owned businesses has the same definition as socially or economically disadvantaged group in Chapter 11B.

\*Editor's note—11B.00.01.07

7.3.2 To qualify to participate in the MFD subcontracting program under Section 7.3.3, an MFD owned business must:

7.3.2.1 belong to an MFD group for which a goal has been set under Section 7.3.4 in the purchasing category covering the work that is the subject of the subcontract; and

7.3.2.2 be certified as an MFD owned business under Section 7.4.

7.3.3 MFD Subcontracting Program.

7.3.3.1 Unless the context indicates otherwise, in Section 7\*,

\*Editor's note—11B.00.01.07

(a) contract means a contract identified by Using Departments or the Director as having an estimated dollar value of \$65,000 or more, including renewals; and

(b) contractor means a contractor that:

(1) is not a certified MFD owned business; or

(2) if the contractor is a certified MFD owned business, the contractor does not belong to an MFD group for which a goal had been set in the purchasing category covering significant work to be undertaken in the contract.

7.3.3.2 A contractor must subcontract a minimum percentage (as determined by the Director) of the contract price to certified MFD owned businesses that are eligible to participate in the subcontracting program. To be eligible, a certified MFD owned business must have a goal set under Section 7.3.4 in a purchasing category covering the work to be performed under the subcontract. The Director applies the goals established by the CAO under Section 7.3.4.8(d) for each purchasing category covering a substantial

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9.1.4 Substitutions

Substitutions for bonds may be permitted only with permission of the County Attorney or pursuant to guidelines issued by the County Attorney. Substitutions may include letters of credit, cash deposits and other forms of security. Personal sureties are generally not acceptable substitutes for bond requirements.

9.2 Insurance

General insurance requirements for contracts are specified by the Office of the County Attorney in the mandatory clauses. Requests for variances from those requirements must be approved by the Director. The Division of Risk Management, Department of Finance, must be consulted on all matters pertaining to insurance, particularly insurance amounts.

**11B.00.01.10 Contract Cost and Pricing Principles**

10.1 Fair and Reasonable Price Determination

Before executing a contract or contract modification, the Director must make a final determination that prices to be paid by the County are fair and reasonable. In making this determination, the Director should consider the Using Department's price analysis and, if obtained, cost or pricing data.

The Director has authority to require that contract cost or pricing principles be followed by Using Departments. In addition, the Director may require a price analysis by Using Departments, particularly in the certification of fair and reasonable prices as required by these regulations.

10.1.1 Price Analysis

Before making a recommendation for award, a Using Department must make a price analysis to determine that the prices are fair and reasonable. In making the price analysis, a Using Department should consider one or more of the following factors:

- 10.1.1.1 Prior award price for the goods or services being procured;
- 10.1.1.2 Prices contained in other offers responding to that solicitation;
- 10.1.1.3 Costs estimated for the procurement prior to the receipt of offers;

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- 10.1.1.4 Commercial market prices and other commercial practices relating to costs;
  - 10.1.1.5 Prices paid by other public entities for similar goods or services; or
  - 10.1.1.6 Cost analysis which separates components of the offer and allocates costs among those components.
- 10.1.2 The Director may issue additional factors to the Using Departments for use in making a price analysis.

10.3 Requirements for Certified Cost or Pricing Data

- 10.3.1 An offeror or contractor must submit cost or pricing data, or both, in a form prescribed by the Director prior to approval of:
- 10.3.1.1 A competitively negotiated contract valued at more than \$100,000;
  - 10.3.1.2 A non-competitively negotiated contract valued at more than \$50,000;
  - 10.3.1.3 Any contract modification for which the price adjustment is expected to exceed \$50,000 except contract modifications that are fully in accordance with the terms and conditions of the contract; or
  - 10.3.1.4 Any other contract or contract modification, as may be required by the CAO or Director.
- 10.3.2 When Cost or Pricing Data is required:
- 10.3.2.1 Each contractor or offeror must at the request of the Director submit, in a form required by the Director, a certificate showing the data for the proposed work to be done, including work to be done by a subcontractor. The offeror or contractor must submit a certification that the data submitted are accurate, complete and current.
  - 10.3.2.2 The contract or contract modification document must state that the price to the County, including profit or fee, may be adjusted by the Director to exclude from the price any sums determined by the Director to be allocable to inaccurate, incomplete or outdated cost or pricing data.

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- 10.3.3 When a prime contractor is authorized to expend appropriated funds through subcontractors in the performance of a County contract, Subsections 10.3.1 and 10.3.2 are also applicable to subcontracts and subcontract modifications.
- 10.3.4 Before executing a contract or contract modification, the Director must make a determination as to the reasonableness of the cost or pricing data. The contract cost principles and procedures in the Federal Acquisition Regulations may be used as general guidelines when developing price determinations, if they are not at variance with County laws and regulations.
- 10.3.5 The requirements of section 10.3 do not apply to a contract or contract modification that is based on:
- 10.3.5.1 Adequate competition as determined by the Director;
  - 10.3.5.2 Established catalog or market prices of commercial items sold in substantial quantities to the general public;
  - 10.3.5.3 Prices set by laws or regulations;
  - 10.3.5.4 A noncompetitive contract awarded under a resolution or appropriation approved by the County Council, if the Using Department has made the certification required by Section 17.3.2.;  
or
  - 10.3.5.5 The Contractor has been specifically identified in a grant accepted by the County.
- 10.3.6 In exceptional cases, or for contracts or contract modifications with public entities, the Director may waive the requirement for cost or pricing data by making a written determination that explains why the waiver is in the best interest of the County.

**11B.00.01.11 Contract Modifications**

**11.1 General**

**11.1.1 Authorization**

Contract modifications may be initiated by the contractor, contracting officer, or the contract administrator. A contract modification is not effective, and a contractor must not proceed with performance under the modification, until and unless the contract modification is executed by the contracting officer.

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11.1.2 Use- Special Circumstances

11.1.2.1 Under extraordinary circumstances, the Director may approve a contract modification:

- (a) for goods, services, or construction that has already been provided;
- (b) to a contract that has expired; or
- (c) to a contract that has been fully completed.

11.1.2.2 A contract modification may be used, among other things, to approve an equitable adjustment in the case of a unilateral change order. Subject to Chapter 20 of the County Code, a contract modification may be used to approve the settlement of a potential or pending contract dispute.

11.1.3 Policy for Contract Modifications that Change the Scope of a Contract

11.1.3.1 Contract modifications may not provide for less than full performance by the contractor as provided in the contract unless the contractor gives full and fair consideration (discount on contract price, additional work, etc.) in exchange for the contract modification. The County must not pay any additional monies under a contract modification for work which was required to be performed under the contract.

11.1.3.2 A modification to a contract that was awarded by a competitive solicitation process may not materially depart from the scope of the original solicitation unless the goods, services, or construction being acquired by the modification could be acquired from the incumbent contractor by a separate non-competitive or emergency procurement.

In the absence of a non-competitive or emergency procurement justification, the modification must be of a kind that potential offerors reasonably could have anticipated.

11.1.4 Review

11.1.4.1 The Director reviews the proposed contract modification, with attachments if any. If the value of the proposed contract modification exceeds the threshold for an IFB or RFP, the Director

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- 15.3.2 The CRC may request any information from Using Departments that it deems necessary in connection with the exercise of its authority and responsibilities. The Director, acting on behalf of the CRC, may request Using Departments to furnish certain documentation or take certain actions either for submittal to the CRC for review or in order to implement CRC decisions. Using Departments should respond to requests as expeditiously as possible.
- 15.3.3 The Director must prepare the agenda of the CRC, subject to the direction of the Chair, and may issue guidelines to the Using Departments with respect to required submissions, time deadlines and other matters pertaining to the orderly conduct of the agenda for the CRC. This may include coordinating Using Department representatives' attendance at CRC meetings.
- 15.3.4 The CRC may condition its approval of procurement actions. The conditions must be satisfied before the procurement may be consummated.
- 15.3.5 The CRC may hold hearings, call witnesses, receive documentation and correspondence and conduct investigations.

15.4 Minutes and Records

- 15.4.1 The Director is responsible for preparing meeting minutes in accordance with the requirements of the State Open Meetings Act.
- 15.4.2 The minutes reflect voting and actions on each agenda item.
- 15.4.3 The Chair must maintain CRC solicitation protest appeal records until the dispute is finally resolved. The Director maintains all other records. After the solicitation protest appeal is finally resolved, the Chair must transmit the record to the Director.

15.5 Duties and Responsibilities

- 15.5.1 The CRC has the following responsibilities.
  - 15.5.1.1 Approving sole source procurements valued above the threshold for an IFB or RFP.
  - 15.5.1.2 Approving all change orders or amendments to a contract valued above the threshold for an IFB or RFP, unless the Director determines that the change in compensation results from a mechanical application of an established cost indexing provision or other contract option which pre-determines price.

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- 15.5.1.3 Approving a contract extension beyond the original term, except:
  - (a) An extension authorized in the original contract, or
  - (b) A single extension of the original term by 12 months or less.
- 15.5.1.4 Considering procurement matters referred to the CRC by the CAO, the County Attorney, the Director or a Using Department Head.
- 15.5.1.5 Recommending resolution of solicitation protest appeals.
- 15.5.1.6 Considering other procurement matters as provided in these regulations.
- 15.5.2 The CRC may undertake special investigations or studies and render reports as directed by the CAO.
- 15.5.3 The CRC may coordinate its review of proposed procurement actions with the budgets, programs, and procurement actions of the Using Departments.

**11B.00.01.16 Ethics**

All public and private participants in the procurement process are subject to County ethics laws under Chapters 11B and 19A of the Montgomery County Code and the applicable regulations for standards of conduct required in contracting. Questions regarding ethical issues should be directed to the Montgomery County Ethics Commission, the Office of the County Attorney, or the Director.

**11B.00.01.17 Grants**

17.1 General Authority

The Director, upon a recommendation from the Using Department, may enter into a non-competitive contract if the person was named or designated in:

17.1.1 a grant accepted by the County; or

17.1.2 or resolution or appropriation approved by the County Council.

17.2 Authority of the Director

The Director, upon a recommendation from a Using Department, may determine that the contract serves a public purpose and enter into the contract.

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17.3 Other requirements

- 17.3.1 Contracts entered into under the grant authority contained in Chapter 11B of the Code must meet all requirements specified by the County Attorney and the Director. The contract must be in a form approved by the County Attorney. The contract should include specifications or conditions of performance under the contract, identification of payment schedules, and other mandatory provisions usually expected in County contracts.
- 17.3.2 A Using Department, prior to County Council approval of a grant award, must certify to the County Council, the Office of Management and Budget, and the Director that:
  - 17.3.2.1 the proposed grantee would qualify as a responsible offeror under Section 6.3;
  - 17.3.2.2 the grant amount is fair and reasonable after making a price analysis required under Section 10.1.1; and
  - 17.3.2.3 the services, goods, and construction funded by the grant award are in the public interest.

**11B.00.01.18 Debarment and Suspension**

18.1 Debarment

- 18.1.1 After consulting with the Using Department and the County Attorney, the Director may debar a person from consideration for award of contracts, for a length of time to be determined by the Director. The length of time should not be less than the time which would be expected to include one or more solicitations for the type of work being provided by the debarred person. The debarment time imposed by the Director is not limited by the debarment time imposed by another public entity.
- 18.1.2 The Director must maintain a list of debarred persons and corresponding dates of debarment.
- 18.1.3 The Director may debar a person for any of the following reasons:
  - 18.1.3.1 Conviction for commission of a criminal offense incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of the contract or subcontract;

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- 18.1.3.2 Conviction of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, kickbacks or any other offense indicating a lack of business integrity;
- 18.1.3.3 Conviction under state or federal antitrust statutes arising out of the submission of bids or proposals;
- 18.1.3.4 Violation of County contract provisions of a character which is regarded by the Director to be so serious as to justify debarment action, which may include:
  - (a) deliberate failure without good cause to perform under the specifications or within the time limits provided in the contract; or
  - (b) a record of failure to perform or of unsatisfactory performance under the provisions of one or more contracts; however, failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor are not a basis for debarment;
- 18.1.3.5 violation of the ethical standards set forth in Chapter 11B or Chapter 19A of the Code; or
- 18.1.3.6 any other serious cause the Director determines to be so compelling as to affect the competency or integrity of a potential contractor, including debarment by another public entity.
- 18.1.4 The Director must send a notice of proposed debarment to the person whom the Director proposes to debar. The notice must inform the person of:
  - 18.1.4.1 the factual basis constituting probable cause for debarment; and
  - 18.1.4.2 the right, within 10 days, to provide written reasons why the person should not be debarred and, if desired, to request a hearing.
- 18.1.5 After reviewing the record, the Director determines whether there are disputes of material fact.
  - 18.1.5.1 If the Director determines there are no genuine disputes of material facts, the Director must issue a decision on the debarment.
  - 18.1.5.2 If the Director determines there are genuine disputes of material facts, the Director must conduct a hearing and may designate a

### **13. Designation of Entities for Non-Competitive Contract Award Status (Grantee List)**

The designation of entities for non-competitive contract award status is a listing of non-competitive contracts awarded under Section 11B-14(a)(4) of the County Code submitted by the Chief Administrative Office to the County Council following the submission of the CE's Recommended Budget. Contracts may be awarded non-competitively if they serve a public purpose and meet one of the four requirements listed in Section 11B-14 of the County Code. Awards meeting one of the requirements in the first three provisions of Section 11B-14 are eligible to be granted a non-competitive contract award status without being designated on this list. The fourth provision in Section 11B-14 allow for contracts with other circumstances which call for a non-competitive procurement and requires a resolution approved by the County Council that identifies the proposed contractor. This listing of proposed contractors is commonly known as the "grantee list."

Departments must exercise caution in the use of this process. Its purpose is not to circumvent the competitive bid process, but rather, to serve a public purpose in those unique situations where it is necessary to award a contract on a non-competitive basis.

In requesting non-competitive status for a contract with an organization:

- 1) Provide the following information for each requested entity (both within the base amount and over the MARC requests) to be placed on the list. To access the non competitive award form, go into the County's intranet site, <http://portal.mcgov.org>, select departments, and then select OMB. Under PSP Budget Development FY06 Budget Forms select Designation of Entities for Non-Competitive Grant Awards.
- 2) Enter:
  - (a) Name of entity
  - (b) Type of services provided by the entity
  - (c) Reasons for the services provided
  - (d) FY06 amount requested in the budget submission
  - (e) Reasons for non-competitive status
  - (f) Last time contract was bid competitively
  - (g) Date current contract (if any) will expire
  - (h) Department contact and phone number
- 3) Explain your reasoning for including an entity on the Non-Competitive Contract Award List. Please remember:
  - Any proposed contractor that is the **only source** for the required goods, service, or construction which can meet the minimum valid needs of the County, including timeliness of performance as determined by the Contract Review Committee (CRC). These contractors are eligible to be granted a non-competitive contract award status per Section 11B-14(a) (1) of Montgomery County Code and **need not be included** in the non-competitive contract list required by Section 11B-14(a) (4). Sole source contracts go through a separate Procurement process that is different from the process required by OMB.
  - Any proposed contractor that is identified by a County law such as an urban district. These contractors **need not be included** in the non-competitive contract list resolution required by Section 11B-14(a) (4).

- Any proposed contractor that has ***been specifically identified in a grant accepted by the County***. These contractors are eligible to be granted a non-competitive contract award status per Section 11B-14(a) (3) of Montgomery County Code and ***need not be included*** in the non-competitive contract list required by Section 11B-14(a) (4).
- 4) For over-the MARC requests, use the characteristics tab in BASIS to select the drop down box for "Non-competitive entity contract".
- 5) **Submit your requests at the same time your department budget is due.** Please also include any proposed non-competitive contract awards in any NDA related to your department. If your department has no non-competitive contracts for FY06, please inform us as well. Please contact Jacqueline Carter with any questions at 240.777.2771.

**SAMPLE FORMAT\***

**FY06 Non-Competitive Contract Award List**

**Department:** Health and Human Services

**Name of entity:** ABC Employment Services, Inc.

**Type of service(s) provided:**

ABC Employment Services, Inc. provides employment training to financially disadvantaged adults in Montgomery County. The grantee also helps individuals find employment in the County once they have successfully completed various seminars and training aimed at developing interviewing skills, work ethics, etc.

**Reason(s) that services are needed:**

The County has a growing population of adults who are either unemployed or underemployed. The project is aimed at reducing the number of families and individuals who are supported by public assistance and who live at or below the poverty level. ABC Employment Services, Inc. works in conjunction with public/private entities in providing the training and job placement. The services are provided to approximately 800 - 1,000 individuals each year who meet certain income requirements.

**FY06 Request:** \$1,000,000

**Reasons for non-competitive status:**

Although there are several employment agencies within the County, ABC Employment Services, Inc. is the **only** entity that serves financially disadvantaged adults specifically. Without the service, such individuals would have to rely on employment services that are available to the general public, which the target population is not likely to have access to.

**Last Time contract was bid competitively:** June 30, 2002

**Expiration date of current contract:** June 30, 2004.

**Contact Person and Phone #:** Jane Smith, 240.777.2222

**DHCA CONTRACTOR/PROJECT PRICE/RESPONSIBILITY ANALYSIS**

Procurement requires Using Departments certify all contractors providing services and Grantees receiving funds through the County have "fair and reasonable" costs. The Using Departments must conduct a "Price Analysis", considering **one or more** of the factors below. This form, with the documentation indicated, should be included in all files before contracts are submitted to the Office of Procurement for issuance of a Purchase Order.

STAFF CONTACT \_\_\_\_\_ DATE: \_\_\_\_\_  
 CONTRACTOR/GRANTEE \_\_\_\_\_  
 PROJECT NAME \_\_\_\_\_ PROJECT NO. \_\_\_\_\_  
 FUNDING SOURCE \_\_\_\_\_ AMOUNT \_\_\_\_\_  
 PROJECT DESCRIPTION \_\_\_\_\_

X	FACTOR	DOCUMENTATION
	<b><u>PREVIOUS CONTRACT AWARD</u></b> PRICE FOR GOODS OR SERVICES BEING PROCURED	AWARD DATE(S): _____ AWARD \$ VALUE(S): _____
	PRICES CONTAINED IN <b><u>OTHER COMPETITIVE OFFERS</u></b> RESPONDING TO THE SOLICITATION	# BIDS RECEIVED: _____ {ATTACH BIDS & SUMMARY SHEET}
	<b><u>PROFESSIONAL COST ESTIMATES</u></b> FOR THE PROCUREMENT PRIOR TO RECEIPT OF OFFERS (INDICATE SOURCE)	\$ ESTIMATE: _____ PREPARED BY: _____ {ATTACH ESTIMATE}
	<b><u>COMMERCIAL MARKET PRICES</u></b> IN INDUSTRY-RECOGNIZED PRICE GUIDES	{ATTACH DESCRIPTION}
	PRICES PAID BY <b><u>OTHER PUBLIC ENTITIES</u></b> FOR SIMILAR GOODS OR SERVICES	{ATTACH DESCRIPTION}
	COST <b><u>ANALYSIS BY INDIVIDUAL COMPONENT</u></b> OF THE OFFER	{ATTACH DESCRIPTION AND WORKSHEET}
	COMPETITIVE <b><u>PUBLIC GRANT AWARD PROCESS</u></b> (CDAC OR OTHER)	FY _____ CDAC _____ OTHER _____ {ATTACH BUDGET PAGE}
	<b><u>PRIVATE AGENCY OR OTHER DISCRETIONARY GRANT</u></b> AWARDED BY COUNCIL OR EXECUTIVE	{ATTACH NOTES FROM PROCUREMENT CONTACT}
	<b><u>OTHER</u></b>	DESCRIBE

The Using Department must also certify the Grantee is a "Responsible Offeror" by taking the following actions:

- 1) Contractor is not Debarred: <http://epls.arnet.gov/FAQEPLS> (Date) \_\_\_\_\_
- 2) Corporate status is not Forfeited: [http://sdatcert3.resiusa.org/ucc-charter/CharterSearch\\_f.asp](http://sdatcert3.resiusa.org/ucc-charter/CharterSearch_f.asp)  
State of Incorporation \_\_\_\_\_ Corp. Registration # \_\_\_\_\_
- 3) Federal ID # \_\_\_\_\_
- 4) Proof of 501(c)(3) – {Attach}

MODIFIED: 12-21-2004