

Explanation of Proposed Allocation of 2009 OAA RFP Settlement Allocations

Background:

On August 28, 2009, the Alliance for Aging Inc. issued an RFP to allocate Older Americans Act funding for Planning and Service Area 11, which is comprised of Miami-Dade and Monroe Counties.

On October 23, 2009, the Alliance posted an Intent to Award, as approved by the Board of Directors on October 22, 2009, which allocated funding to 30 organizations, including 27 in Miami-Dade County and 3 in Monroe County. The total of the intended awards was \$12,736,564.

After discovering flaws with the posted allocations, the Alliance Board of Directors voted on November 16, 2009 and posted notice of its intended action to withdraw the proposed allocations, cancel the RFP and conduct a new RFP. This decision was appealed by five of the applicants for OAA funding. An appeal hearing began on December 18, 2009 before an impartial decision maker, but the hearing was continued due to time constraints. At the hearing, the five appellants proposed to conduct negotiations with the Alliance that could lead to a settlement. The Alliance agreed to this proposal.

The Alliance set forth conditions for a settlement that included eliminating potential consumer displacements to the greatest extent possible and consistently applying the funding formula used in determining allocations. The five appellants agreed to these terms and a proposed settlement agreement has been reached.

Methodology for Proposed Settlement Allocations:

As stated in the RFP, funding was first allocated to the highest scoring proposals for each separate service under each Title. Also as provided by the RFP, adjustments were then made to ensure that there are sufficient funds to serve existing consumers, areas and communities within the PSA that would suffer service reductions attributable to the RFP. Clients receiving certain center based as well as other specific types of services from providers who did not submit one of the highest scoring proposals, were considered to be displaced, as their services would be interrupted based on the funding formula absent an adjustment. These services included Adult Day Care, Congregate Meals, Facility Based Respite, Hot Home Delivered Meals, Kosher Home Delivered Meals, and Transportation.

Funding was then allocated to applicants who were qualified to provide the same type of services to the displaced customers without any further disruptions. This funding was limited to the amount required to serve the displaced clients.

A total dollar amount to fund all services in all titles was calculated based on the amount needed to fund the highest scoring proposals as well as fund those providers who would be serving displaced customers.

In any situation where the amount of funds needed, exceeded the RFP allocation for the service, awards were proportionately reduced. In no instance, however, was an award reduced so as to create further consumer displacements or to award less than the minimum award as stated in the RFP.

If the total dollar amount awarded for a service was still less than the amount needed, additional funding was added to the award allocations. The amount added to the awards was first taken from any remaining funds within the title and then if additional funding was still needed, non-RFP dollars were added. (Non-RFP dollars were obtained from voluntary award reductions agreed to by the group of five appellants from their proposed awards plus funds that the Alliance agreed to add from an increase in Older Americans Act monies that were received in the summer of 2009, and therefore not included in the RFP).

The total of the proposed awards through the settlement is \$12,941,295.

Conclusion:

The awards posted in October 2009 were erroneous in that they stemmed from using incorrect formulas and provided no adequate means for addressing consumer displacements.

The funding distribution resulting from the proposed settlement is in keeping with the intent of the 2009 OAA RFP to award the most competitive proposals while at the same time ensuring that existing consumers will not suffer service reductions. The proposed settlement allocations will also allow the contracting process to move forward and allow the Alliance and the providers to focus on serving the elderly residents of Miami-Dade and Monroe Counties.