


Jennifer McGuirk Multnomah County Auditor

Dani Bernstein
Raymond De Silva
Nicole Dewees
Michelle Greene
Mandi Hood
Annamarie McNeil
Rosalie Roberts
Marc Rose
Sura Sumareh
Cheryl Taylor
Mark Ulanowicz
Mical Yohannes
Caroline Zavitkovski

Date: January 5, 2024

To: Jessica Vega Pederson, Multnomah County Chair
Sharon Meieran, Commissioner, District 1
Jesse Beason, Commissioner, District 2
Julia Brim-Edwards, Commissioner, District 3
Lori Stegmann, Commissioner, District 4

From: Jennifer McGuirk, Multnomah County Auditor 

RE: Concerns about contract award allocation process

Last spring, my office received a report to the Good Government Hotline regarding a contract award allocation process taking place in the Joint Office of Homeless Services. The allegation was that an elected official used their position to gain an advantage for a particular provider in the contract award allocation process.

My office did not substantiate the allegation as meeting the definitions for fraud, waste, or abuse of position. Fraud typically involves asset misappropriation, and abuse of position occurs when an employee inappropriately receives a personal benefit. Waste does not necessarily involve private use or personal gain, but almost always signifies poor management decisions, practices, or control.

However, I am issuing this memo to the Board to provide transparency about what we found when investigating this report. I am concerned that the county's contract award allocation process was not insulated enough from outside influence to assure impartial and open competition, and that outside influence put undue pressure on Joint Office employees.

Multnomah County Auditor's Office
501 SE Hawthorne Blvd., Room 601 Portland, OR 97214 503-988-3320
mult.auditor@multco.us multco.us/auditor

To report suspected fraud, waste, or misuse of County government resources, call 888-289-6839 or visit goodgovhotline.com.

The county announced its intention to partner with a provider that was not an eligible provider at the time

At a Board of County Commissioners meeting on March 16, 2023, the Chair's Office named Housing Connector in the agenda placement request for R1 Budget Modification #JOHS-005-23, and representatives of local county partners discussed looking forward to Housing Connector's services. The Chair's agenda placement request and the presentation to the Board indicated that the county intended to contract with Housing Connector. At this point Housing Connector had not been qualified through a county procurement process, and was not an eligible provider through the Tri-County Supportive Housing Services (SHS) Request for Programmatic Qualifications (RFPQ) process.

This is relevant context for the report we received, because the Board's discussion appeared to forecast a contract with Housing Connector.

Mid-stream changes to the allocation process raised questions about the impartial and open nature of the process

Housing Connector became a qualified vendor on May 8, 2023, through the Tri-County Supportive Housing Services RFPQ. This formal procurement, administered by Washington County, took place between January and March 2023. Cooperatively, Multnomah County, Washington County, and Clackamas County agreed to qualify service providers who would receive funding under the SHS tax through this procurement process.

While the RFPQ did not prescribe a competitive allocation process, it did require a separate formal contract allocation process to be undertaken by the county, with written determinations. Housing Connector applied to the Landlord Recruitment and Engagement allocation that the Joint Office launched on May 15, 2023.

The Joint Office's process appeared well designed to be open and competitive. There was an evaluation process, including criteria and a scoring rubric to evaluate proposals, and all communication with suppliers was directed to the staff person managing the procurement. After the initial evaluation panel scored the applications to the program, Housing Connector finished 6th out of 8 providers, and with a score that was below the minimum for consideration, based on the process outlined by the Joint Office when it announced the allocation process. After discussions with an elected official's office, which was expecting the county to contract with Housing Connector, the Joint Office changed its allocation process, adding another round of questions. All providers that had previously responded – including those that had not achieved the minimum score – were given the opportunity to respond to the new questions. The additional questions were not scored.

In our opinion, this second round of questions changed the scope of the work under the initial Landlord Recruitment and Engagement allocation process announcement. Because the scope of work changed, we believe that in the interests of impartial and open competition, the allocation process should have been canceled. Or the county could have restarted the process to invite providers that may have previously passed on the opportunity based on the description of the original scope of work.

After the second round of questions, a Joint Office allocation committee recommended a \$167,000 contract award for Housing Connector. Ultimately, the county awarded a contract to Housing Connector worth up to \$779,000 in September 2023. The change in the process and the substantially increased award raised questions about the impartial and open nature of the process.

These events cause us concern that the county did not adhere to an impartial and open competitive public contracting process

The contract award allocation process the Joint Office developed appeared well designed to ensure impartial and open competition. However, we heard frustration about the allocation process. The allegation included that Joint Office staff felt pressure to change the process so that Housing Connector would receive a contract. We also heard that the Joint Office's allocation process didn't match what the Board expected.

But rather than changing the allocation process after it had started, the process could have been canceled and restarted. This would have been more transparent than what took place, and would have helped maintain the impartial and open aspect of the allocation process.

Or, prior to the Joint Office's allocation process, the county could have determined that Housing Connector was uniquely situated to provide services to the county that another provider could not, and the county could have pursued a sole-source procurement. This would be transparent, because the reasons for the needed exception to a competitive process would be documented, and the exception signed off on by the Board of County Commissioners at a public meeting.

It appears the way that this contract award allocation process unfolded was more complicated and confusing than it needed to be, and may cause questions about county contract award processes. Additionally, I am concerned about the potential for similar events to transpire in relation to other county procurement and allocation processes.

CC: Serena Cruz, Multnomah County Chief Operating Officer

Multnomah County Auditor's Office
501 SE Hawthorne Blvd., Room 601 Portland, OR 97214 503-988-3320
mult.auditor@multco.us multco.us/auditor

To report suspected fraud, waste, or misuse of County government resources, call 888-289-6839 or visit [goodgovhotline.com](https://www.goodgovhotline.com).