

LOUISIANA RECOVERY AUTHORITY

Contract Performance Measures Research Resolution

May 10, 2007

Overview: A Resolution to direct the Chief Financial Officer of the Louisiana Recovery Authority to research contractual provisions regarding performance penalties and incentives that can be included in the Office of Community Development's contract with ICF International and to report findings to the Louisiana Recovery Authority Board and to the Office of Community Development by June 7, 2007.

Whereas, ICF International (ICF) was engaged by the Division of Administration, Office of Community Development (OCD) to manage the Road Home Program in June 2006;

Whereas, many Louisiana residents whose homes were damaged by the storms of 2005 still await assistance;

Whereas, the pace of the Road Home Program has not achieved the level of customer service that was anticipated by the state;

Whereas, although applications to the program have been steady, appointments for homeowners, calculations and notices of awards, and closings have not kept pace with expectations;

Whereas, members of the public have criticized the slow pace of the program and have suggested that ICF's customer service has not been up to appropriate standards;

Whereas, Governor Blanco and OCD requested that ICF achieve certain targets for each month beginning in November of last year;

Whereas, OCD later negotiated a Performance Measurement Plan with ICF on April 13, 2007, to outline performance measures for the ICF contract for the second quarter of 2007 and has stated that the office will negotiate performance measures for the third quarter of 2007;

Whereas, under the Performance Measurement Plan, a performance credit, funds that OCD will withhold from ICF, can reach a maximum total of \$100,000 per month;

Whereas, ICF will be penalized for failing to meet performance measures established in the Performance Measurement Plan in 4 categories which include the following:

- The wait between a call for Housing Assistance Center appointment and the next available appointment date at each and every Housing Assistance Center. Performance Credit = \$25,000

April, 2007 - No greater than 14 calendar days.
May, 2007 - No greater than 14 calendar days.
June, 2007 - No greater than 14 calendar days.

- Options letters sent by ICF to Road Home applicants. Performance Credit = \$25,000

April, 2007 - 10,000
May, 2007 - 10,000
June, 2007 - 10,000

- Road Home applicant closing scheduled. Performance Credit = \$50,000

April, 2007 - 8,000
May, 2007 - 10,000
June, 2007 - 10,000

- To promote performance of ICF response time on homeowner issues entered into the pre-appeal resolution process. Performance Credit = \$25,000

April, 2007 - For 95% of all issues, either ICF resolves the issue within seven business days or contacts the homeowner and reports on the status of their application within three business days.

May, 2007 - For 95% of all issues, either ICF resolves the issue within seven business days or contacts the homeowner and reports on the status of their application within three business days.

June, 2007 - For 95% of all issues, either ICF resolves the issue within seven business days or contacts the homeowner and reports on the status of their application within three business days.

Whereas, stakeholders have criticized the amount of the performance credit and its overall impact on the total ICF contract and have called for an increase in the amount of the monthly performance credit for subsequent quarters;

Whereas, OCD has indicated that it will renegotiate these standards for the contract beginning in July;

Whereas, additional information may be needed to assist the state in determining what amount would be an appropriate performance credit;

Whereas, researching performance penalties and incentives included in similar public sector contracts will provide much needed guidance and information to decision makers;
and

Whereas, the Chief Financial Officer of the Louisiana Recovery Authority has resources available to perform the necessary research and compile the information in a reportable format for future use by decision makers.

THEREFORE BE IT RESOLVED, that the Louisiana Recovery Authority Board does hereby direct the Chief Financial Officer of the Louisiana Recovery Authority to research contractual provisions regarding performance penalties and incentives that can be included in the Office of Community Development's contract with ICF International and to report findings to the Louisiana Recovery Authority Board and to the Office of Community Development by June 7, 2007.