

Memorandum



CITY OF DALLAS

DATE June 12, 2020

TO Honorable Mayor and Members of the City Council

SUBJECT **Upcoming Office of Procurement Services City Council June 24, 2020 Agenda Item #45 for Income Tax Preparation and Financial Education Services**

The following Office of Procurement Services item will be considered by City Council on the June 24, 2020 Agenda:

Agenda Item #45: Authorize a two-year service contract for income tax preparation and financial education services for the Office of Community Care – Foundation Communities, Inc., only proposer - Not to exceed \$150,000.00 - Financing: General Funds (subject to annual appropriations)

Overview

Earned Income Tax Credit (EITC) is the U.S. Government's largest need-tested, cash benefits anti-poverty program. Locally, 29% of Dallas households claimed EITC in 2016, compared to 20% nationwide, and access to volunteer income tax assistance (VITA) sites is critical in helping filers access EITC and reducing reliance on costly tax preparation services, maximizing the financial benefits of the refunds, which for many low income families may serve as the largest infusion of cash into their household in the year. This service contract will allow for the administration of a VITA Program for low to moderate income individuals and families at 7 sites across the City of Dallas.

This contract with Foundation Communities, Inc. will support year-round program implementation, including planning and service delivery for the 2020 tax filing season (January - April 2021). Funding will support marketing and outreach in English and Spanish, volunteer recruitment and training, site operations costs, Client Care financial empowerment and social services referrals, and linkages to financial literacy and services, including the Dallas Saves program, a matched savings program. Foundation Communities, Inc. hires bilingual staff to support VITA programming to ensure services are available in Spanish and English.

For the 2019 tax filing season (January - April 2020), Foundation Communities, Inc. has completed a little over 5,000 tax returns for Dallas residents. Due to COVID-19, the tax season has been extended to July 15th. They are currently offering completely virtual tax preparation, as well as an option for filers who lack access to technology, to drop off their documents at one of their locations, to allow them to prepare and submit their returns. Under these conditions, completing returns is considerably more difficult and time consuming (taking 2 - 3 times as long or more to complete each return). Foundation Communities, Inc. continues to look for ways to make their services more accessible to the clients. They project to complete a total of 6,200 tax returns for Dallas residents by

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the July 15th filing deadline. For the 2020 tax season (January - April 2021) they have a goal to complete at least 8,000 tax returns for Dallas residents.

Background

On September 28, 2016, City Council authorized a one-year service contract, with two one-year renewal options, to administer a Volunteer Income Tax Assistance Program for low to moderate income families or individuals citywide by Resolution No. 16-1561. On February 12, 2020, a contract was authorized in the amount of \$50,000 with Foundation Communities, Inc. to operate a no charge Federal income tax program with a focus on financial education for low-to-moderate income filers with high concentration of Earned Income Tax Credit (EITC) by Administrative Action No. 20-5630 to ensure uninterrupted delivery of services tax preparation services for the 2019 filing season.

Procurement

The City of Dallas Office of Community Care (City) sought proposals via a Request for Proposals (RFP) from entities to provide a city-wide program for free tax assistance, targeted to communities with high concentrations of EITC-eligible filers, with a secondary goal of enhancing financial literacy by using the Earned Income Tax Credit (EITC) as the anchor for wrap-around services and as a connection to financial empowerment services, such as job skills training. The RFP was advertised on February 20 and February 27, 2020. A pre-conference was held on March 3, 2020 and submissions were due on March 26, 2020.

A six-member committee from the following departments reviewed and evaluated the qualifications:

- Office of Budget (1)
- Office of Community Care (2)
- Office of Economic Development (1)
- Office of Business Diversity (1)*
- Office of Procurement Services (1)*

*The Office of Procurement Services only evaluated cost and the Office of Business Diversity only evaluated the Business Inclusion and Development Plan.

The committee selected the successful respondent on the basis of demonstrated competence and qualifications under the following criteria:

- Organization Capacity 20 points
- Program Evaluations 65 points
- Business Inclusion and Development Plan 15 points

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Should you have any questions or concerns, please contact myself or Jessica Galleshaw, Director of the Office of the Community Care.



Nadia Chandler Hardy
Assistant City Manager

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| T.C. Broadnax, City Manager | Joey Zapata, Assistant City Manager |
| Chris Caso, City Attorney | Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services |
| Mark Swann, City Auditor | M. Elizabeth Reich, Chief Financial Officer |
| Biliera Johnson, City Secretary | Laila Alequresh, Chief Innovation Officer |
| Preston Robinson, Administrative Judge | M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion |
| Kimberly Bizzor Tolbert, Chief of Staff to the City Manager | Directors and Assistant Directors |
| Majed A. Al-Ghafry, Assistant City Manager | |
| Jon Fortune, Assistant City Manager | |