



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 26-286

Meeting Date: 5/19/2026

TITLE:

PROFESSIONAL SERVICES AGREEMENT TO PROVIDE SHELTER OPERATIONS AT THE COSTA MESA BRIDGE SHELTER

DEPARTMENT: CITY MANAGER'S OFFICE

PRESENTED BY: NATE ROBBINS, NEIGHBORHOOD IMPROVEMENT MANAGER

CONTACT INFORMATION: NATE ROBBINS, NEIGHBORHOOD IMPROVEMENT MANAGER, 714-754-5274

RECOMMENDATION:

Staff recommends the City Council:

1. Approve the Professional Services Agreement with Volunteers of America Los Angeles to provide Shelter Operations at the Costa Mesa Bridge Shelter for a period of three (3) years, with the option for two (2) additional one (1) year periods upon mutual written agreement of both parties, in an amount not to exceed \$2,066,864.
2. Authorize the City Manager and City Clerk to execute all agreements and any amendments to the agreements, including any potential increase to the annual compensation that is based on an increase to Volunteers of America Los Angeles employee salaries. This increase shall not exceed 5%.

BACKGROUND:

Costa Mesa Bridge Shelter

In April 2021, the City of Costa Mesa (City) opened the Costa Mesa Bridge Shelter (Shelter) located at 3175 Airway Avenue. The 100-bed Shelter provides interim housing and wrap-around services to individuals experiencing homelessness. These services include, but are not limited to, housing navigation, assistance with obtaining vital documents (e.g., Birth Certificate, Social Security Card, California ID or Driver's License, etc.), financial assistance for housing deposits and furniture, primary health care, dental screenings, behavioral health care, individual and group therapy, connections to detox and rehabilitation facilities, workforce development and employment readiness, benefit assistance, and more. Since opening its doors, the Bridge Shelter has facilitated the placement of over 250 people into permanent housing.

Shelter Operations

In July 2021, the City executed an agreement with Mercy House Living Centers (Mercy House) to serve as the Shelter Operator of the (then) 72-bed shelter at an annual cost of \$2,000,000. In July 2023, the Shelter’s capacity was increased to 85 beds, and the agreement was amended, increasing Mercy House’s Not-To-Exceed (NTE) contract amount to \$2,185,286 per year. In June 2024, the Shelter’s capacity was increased to 100 beds, and the agreement was amended again, increasing Mercy House’s NTE to \$2,383,180. The agreement with Mercy House expires on June 30, 2026.

ANALYSIS:

In February 2026, the City released RFP 26-14 requesting proposals to provide Shelter Operations at the Bridge Shelter. The City received a total of three (3) proposals from the following qualified firms: Volunteers of America Los Angeles (VOALA), Mercy House, and Homeless Intervention Services of Orange County (HIS OC). City staff reviewed the proposals, conducted interviews with the three bidders, and assigned a score to each proposal. The proposals were ranked based on their cumulative scores, with VOALA receiving the highest score and Mercy House and HIS OC ranking second and third, respectively. The scores given to each proposer can be seen in the table below.

RFP 26-14 Shelter Operator Services				
Proposers	Proposal Scores	Interview Scores	Total Scores	Rank
VOALA	1200	1500	2700	1st
Mercy House	1083.25	1230	2313.25	2nd
HIS-OC	1206.5	1104.85	2311.35	3rd

Scope of Work

While City employees provide case management for shelter guests, the operator’s duties are specifically focused on the following four areas:

1. Logistics - General shelter operations including guest laundry, assisting the kitchen operator (Bracken’s Kitchen) with meal services and clean up, guest intakes and exits, 24/7 staffing of the concierge desk, etc.
2. Janitorial - Daily, ongoing cleaning of the entire campus, as well as nightly deep cleaning of the bathrooms and high-traffic areas.
3. Security - 24/7 on-site supervision of guests, including a post at the main entrance and roving patrols of the entire campus.
4. Transportation - A shuttle service that provides daily drop-off and pick-up locations around Costa Mesa.

VOALA utilizes a universal training system where employees are trained to perform all the duties listed above. This model reduces potentially negative impacts of staff call-outs and allows for responsibilities to be allocated evenly among team members.

VOALA is an approved administrator of the Medi-Cal benefits known as Community Supports (CS) and Enhanced Care Management (ECM), which are available to most guests enrolled at the Bridge Shelter. CS and ECM provide equitable, coordinated, and person-centered services to address housing insecurity, as well as specialized, managed care to improve quality of life for vulnerable, high-need populations. The City currently partners with two (2) outside agencies to provide these services, as they are not available through the current Shelter Operator. Selecting VOALA as the Shelter Operator will allow the City to consolidate these services into a single entity, streamlining the provision of care and reducing potential confusion among Shelter guests.

VOALA has an established history of serving Costa Mesa residents through various programs, including the Homeless Disability Advocacy Program (HDAP), as well as outreach and specialized services for Veterans. The City currently partners with outside agencies for these services as they are not available through the current Shelter Operator. Selecting VOALA as the Shelter Operator will augment our system of care for clients with disabilities and those who are veterans.

VOALA has a robust Evaluation and Quality Assurance Department that monitors data collection, measures progress toward achieving performance objectives, drives program evaluation, identifies potential issues, and informs corrective actions as needed for the program on an ongoing basis. Monitoring is conducted on an ongoing basis through their Quality Assurance team that provides real-time data for program management. Formal monitoring by the Quality Assurance team takes place quarterly through on-site visits to the Shelter. VOALA's Quality Assurance team reviews all program forms for accuracy, reviews participant files to ensure that documentation is correct and complete and conducts periodic audits of case files and database information to ensure that all data is correct and up to date. Additionally, VOALA's Evaluation Department will develop and oversee an "outcomes dashboard" for the Shelter program, which allows staff to have access to real-time data to monitor program effectiveness and progress in achieving outcomes.

Budget

The annual budget proposed by VOALA to operate the Shelter is \$2,066,864, which is a savings of \$316,316 compared to the current cost of \$2,383,180. The draft Professional Services Agreement (Attachment 1) includes an optional annual cost increase based on the increase to VOALA employee salaries and shall not exceed 5%. This optional increase is at the sole discretion of the City Manager and requires justification by the Operator.

VOALA has the ability to decrease staffing levels and their overall program budget in the event the Council decides to reduce the capacity of the Shelter. However, because the Shelter operates 24 hours per day, seven days a week, VOALA has staffing minimums they cannot go below without compromising their ability to provide core shelter operation services. For example, if the City were to decrease capacity at the Shelter from 100 beds to 85 beds, VOALA could eliminate two (2) staff positions and reduce programmatic costs resulting in an annual savings of roughly \$134,000.

Experience & Capacity

VOALA is a large organization with over 2,000 employees and service contracts totaling over \$200 million. They operate 17 shelters across Los Angeles and Orange Counties and employ more than 300 staff trained in shelter operations who can be called on to quickly fill vacancies. Lastly, VOALA has extensive back-office capacity ensuring timely and accurate billing and data reporting, as well as

a robust system for staff training and development.

VOALA currently provides shelter operations at the Central Cities Navigation Center (CCNC) located in Garden Grove. The Network for Homeless Solutions recently toured this facility and were highly impressed with the facility overall. The CCNC was clean and well maintained, the clients were upbeat and provided positive feedback on their experiences, and VOALA's staff were engaged and knowledgeable.

Based on the factors listed above, staff recommends awarding the Shelter Operator contract to VOALA.

ALTERNATIVES:

The City Council can choose to deny the recommendation and award the Shelter Operator contract to one of the other proposers.

FISCAL REVIEW:

The annual cost proposed by VOALA to provide Shelter Operations at the Bridge Shelter is \$2,066,864, which is \$316,316 less than the City's current agreement of \$2,383,180. Funding for this agreement is budgeted in the FY 2026-27 Proposed Budget in the Housing Authority Fund (Fund 222), subject to City Council's approval and adoption of the FY 2026-27 budget.

LEGAL REVIEW:

The City Attorney's office has reviewed this report and approved it as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council Goals:

- Diversify, Stabilize and Increase Housing to Reflect Community Needs
- Strengthen the Public's Safety and Improve the Quality of Life

CONCLUSION:

Staff recommends the City Council:

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