



REPORT

DATE ISSUED: December 29, 2014

REPORT NO: HCR15-012

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of January 16, 2015

SUBJECT: Amendment of Plumbing Services Contract

COUNCIL DISTRICT: Citywide

REQUESTED ACTION

Authorize the President and Chief Executive Officer to execute documents to amend the contract between the San Diego Housing Commission and Grading Plumbing Site Construction, Inc. by adding \$212,000 for plumbing services in Option Years 1-3 to be utilized on an as-needed basis at San Diego Housing Commission-owned and/or managed properties in the City of San Diego. The total contract cost for Option Years 1-3 of \$1,236,000 is allocated as follows:

Contract term	Funding amount
1 st Option (February 1, 2015 - January 31, 2016)	\$412,000
2 nd Option (February 1, 2016 - January 31, 2017)	\$412,000
3 rd Option (February 1, 2017 - January 31, 2018)	\$412,000
Total Contract Cost	\$1,236,000

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) take the following actions:

- 1) Approve the exercise of the first option and amendment of a contract to Grading Plumbing Site Construction, Inc. (GPS Plumbing) in an amount not to exceed \$412,000. The contract option term shall be for a one-year period, with two (2) remaining one-year renewal options based on the need of the Housing Commission.
- 2) Authorize the President and Chief Executive Officer (President & CEO), or designee, to substitute the funding sources with other available funding sources so long as the total program/project budget amount after substitution does not exceed the approved total budget, should the operational need arise or should such actions be to the benefit of the Housing Commission and its mission. Funding substitutions will be memorialized in an Informational Report at the next scheduled Housing Commission Board Meeting.
- 3) Authorize the President & CEO, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and make such actions as are necessary and/or appropriate to implement these approvals.

SUMMARY

The Housing Commission has a continuing need for plumbing repair services at its housing sites and provides ongoing routine, preventive and emergency maintenance services to residents on a 24-hour basis. To maintain maximum efficiency in providing these services, both in-house staff and skilled maintenance service providers are utilized.

On August 26, 2013, the Housing Commission issued a Request for Proposals (RFP) for Plumbing Services seeking contractors for plumbing services at Housing Commission properties on an as-needed basis. The Housing Commission placed the RFP on the Onvia Demandstar website. Advertisements were placed in U-T San Diego, The Daily Transcript, La Prensa and San Diego Voice & Viewpoint. A total of 55 company notifications were sent through the Onvia Demandstar system to registered plumbing contractors. The proposal was downloaded by 23 plan holders. A pre-proposal meeting was held on September 9, 2013. Personnel from six companies attended the meeting, and a site walk of representative units was made available following the pre-proposal conference.

At the RFP closing date on September 24, 2013, three proposals were received. Proposals were submitted by BPI Plumbing, GPS Plumbing, and A.O. Reed & Company. Subsequent to the closing, a responsiveness review was conducted of all proposals received. All three proposals were found to be responsive. The solicitation did not allow for a markup for parts. The source selection committee allowed A.O. Reed to withdraw its bid as it could not perform without a markup for parts. Best and final offers were received from BPI Plumbing and GPS plumbing. The committee awarded contracts to BPI Plumbing and GPS Plumbing.

State and Federal prevailing wage terms apply to these contracts. Both contractors have agreed to comply with the requirements and obligations in accordance with Section 1770 et seq. of the Labor Code.

During the first year of the contract, there were various performance issues with BPI Plumbing. These issues consisted of quality and performance issues at the site level, problems billing in a timely fashion and compliance issues throughout the year.

The Housing Commission is confident GPS Plumbing can fulfill the obligations for plumbing services at its sites. GPS has the personnel and infrastructure to service the Housing Commission's entire portfolio. The company has proven to be responsive and their quality of work has been exceptional.

The amended Agreement for Plumbing Services with GPS Plumbing is included as Attachment 1. This amendment may be approved by the Housing Commission Board without Housing Authority approval because this action results in an annual contract of less than \$500,000 for maintenance within the purview of San Diego City Council Resolution 305431.

FISCAL CONSIDERATIONS

The proposed funding sources and uses approved by this action for the portion of Option Year One of the GPS Plumbing agreement that falls within Fiscal Year (FY) 2015 were included in the Housing Authority-approved FY 2015 Housing Commission budget. Approving this action will not change the FY 2015 budget. The proposed funding sources and uses approved by this action for the portion of Option Year One that falls in FY 2016 and for the two remaining Option years will be budgeted in future Fiscal Years 2016-2018.

FY 2015 funding sources approved by this action will be as follows:

Rental Income - \$171,667

Fiscal Years 2016-2018 funding sources approved by this action will be as follows:

Rental Income - \$1,064,333

Funding Sources Total - \$1,236,000

FY 2015 funding uses approved by this action will be as follows:

Ordinary Maintenance Costs - \$171,667

Fiscal Years 2016-2018 funding uses approved by this action will be as follows:

Ordinary Maintenance Costs - \$1,064,333

Funding Uses Total - \$1,236,000

EQUAL OPPORTUNITY/CONTRACTING

GPS Plumbing is a certified Woman Business Enterprise. They have provided a Certificate of Compliance and a Workforce Report. Both have been reviewed and a determination has been made that GPS Plumbing is in compliance with the Housing Commission Equal Opportunity Program. Based on the information in their Workforce Report, there are no issues with diversity.

ENVIRONMENTAL REVIEW

This activity is not a project as defined by the California Environmental Quality Act (CEQA) Section 21065 and State CEQA Guidelines Section 15378(b)(2), as it is a continuing administrative or maintenance related activity of government that will not result in direct or indirect physical changes in the environment. The determination that this activity is not subject to CEQA, pursuant to Section 15060(c)(3), is not appealable and a Notice of Right to Appeal the Environmental Determination (NORA) is not required. This activity is categorically excluded from the National Environmental Policy Act pursuant to 24 CFR Part 58.35(b)(3) as an operating or maintenance related cost.

Respectfully submitted,

George Hunt

George Hunt
Quality Assurance Coordinator
Real Estate Division

Approved by,

Deborah N. Ruane

Deborah N. Ruane
Senior Vice President
Real Estate Division

Attachments: 1) Amended Agreement for Plumbing Services

Hard copies are available for review during business hours in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials on the San Diego Housing Commission website at www.sdhc.org.

EXERCISE OF SECOND OPTION AND FIRST AMENDMENT TO SAN DIEGO HOUSING COMMISSION

AGREEMENT FOR PLUMBING SERVICES

**WITH GRADING PLUMBING SITE CONSTRUCTION, INC
Contract No. PM-14-01**

WHEREAS, the San Diego Housing Commission (“Commission”) and Grading Plumbing Site Construction, Inc. (“Contractor”) entered into that certain Agreement for Plumbing Services (the “Agreement”), dated January 23, 2014, and effective as of February 1, 2014.

WHEREAS, on January 17, 2014, the Board of Commissioners of the Commission authorized the Agreement and three one-year options, which options are exercisable by Commission contingent upon the availability of funds and budget approval by the Board of Commissioners of the Commission.

WHEREAS, the President and Chief Executive Officer of the Commission, or his or her designee, elects to exercise the first of three additional one-year options contained in Section 103 of the Agreement in order to provide a continuation of services under the Agreement’s original scope of services.

WHEREAS, the Commission and Contractor desire to amend the Agreement in order to add an additional Two Hundred Six Thousand and No/100 Dollars (\$206,000) to the contract, increasing the contract value to Four Hundred Twelve Thousand and No/100 Dollars (\$412,000).

NOW THEREFORE, the parties hereby amend the Agreement and agree as follows:

1. Term of Option. The Commission exercises the first of three options contained in Section 103 of the Agreement, as amended. The term of the second option period shall commence effective February 1, 2015 and continue through January 31, 2016.

2. Compensation during First Option Period. The total compensation for all services performed and/or materials and goods supplied pursuant to the Agreement during the First Option shall be on the same terms and conditions as set forth in the Agreement, as amended, and shall not exceed the amount of Four Hundred Twelve Thousand and No/100 Dollars (\$412,000)

3. No Novation. The parties hereto acknowledge and agree that except for the changes set forth herein to amend the Agreement, exercise the first option under the Agreement, all of the terms and provisions of the Agreement are hereby acknowledged by the parties to be valid and are hereby recognized, renewed, extended and continued in full force and effect.

4. Counterparts. This Exercise of First Option and First Amendment may be executed in any number of counterparts and, as so executed, the counterparts shall constitute one and the same agreement. The parties agree that each such counterpart is an original and shall be binding upon all the parties, even though all of the parties are not signatories to the same counterpart.

IN WITNESS WHEREOF, the parties have caused this EXERCISE OF FIRST OPTION AND FIRST AMENDMENT to be executed this _____ day of January, 2015.

Contractor:
Grading Plumbing Site Construction, Inc.

By: _____
Daniela Van Handel, President

[Additional Signatures Appear on Second Page]

Commission:
San Diego Housing Commission

By: _____
Jeff Davis
Executive Vice President and Chief
Operating Officer

Approved as to Form:
Christensen & Spath LLP

By: _____
Charles B. Christensen, General Counsel
San Diego Housing Commission