



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: February 7, 2020

HCR20-021

COUNCIL DISTRICT: Citywide

ORIGINATING DEPARTMENT: Real Estate

SUBJECT: Amendment to Plumbing Maintenance and Repair Services Agreement No. PM-18-09

CONTACT/PHONE NUMBER: Emmanuel Arellano (619) 578-7586

REQUESTED ACTION:

Approve a second amendment to the contract for plumbing maintenance and repair services at San Diego Housing Commission–owned and/or managed properties in the City of San Diego to increase the annual maximum contract amount by \$100,000 in the 1st Option year (February 1, 2019 – January 31, 2020), with additional increases of \$100,000 per year for the two remaining one-year options.

EXECUTIVE SUMMARY OF KEY FACTORS:

- The Housing Commission has a continuing need for plumbing maintenance and repair services at its affordable rental housing sites. These plumbing services include ongoing routine, preventive, and emergency maintenance on a 24-hour basis, to be billed as needed.
- To maintain maximum efficiency in providing these services, both in-house staff and skilled maintenance service providers are utilized. To effectively and efficiently meet this need, the Housing Commission Board approved the award of a contract to GPS Plumbing on January 12, 2018, as outlined in Housing Commission Board Report HCR18-011.
- To maintain the expected service levels, Housing Commission staff is seeking to amend the agreement in the 1st Option year with GPS Plumbing, increasing the annual agreement value from \$499,000 to \$599,000.
- The increase is due to higher than anticipated levels of service and repair, including but not limited to the replacement of water heaters, a costly expense that had been contracted for separately in prior years.



REPORT

DATE ISSUED: January 30, 2020

REPORT NO: HCR20-021

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of February 7, 2020

SUBJECT: Amendment to Plumbing Maintenance and Repair Services Agreement No. PM-18-09

COUNCIL DISTRICT: Citywide

REQUESTED ACTION

Approve a second amendment to the contract for plumbing maintenance and repair services at properties in the City of San Diego that are owned and/or managed by San Diego Housing Commission to increase the annual maximum contract amount by \$100,000 in the second year (February 1, 2019 – January 31, 2020), with additional increases of \$100,000 per year for the three remaining one-year options, allocated as follows:

Contract Term	Funding Amount
Year 1 (February 1, 2018 – January 31, 2019)	\$599,000
1 st Option (February 1, 2019 – January 31, 2020)	\$599,000
2 nd Option (February 1, 2020 – January 31, 2021)	\$599,000
3 rd Option (February 1, 2021 – January 31, 2022)	\$599,000
4 th Option (February 1, 2022 – January 31, 2023)	\$599,000
Total Contract Cost	\$2,995,000

STAFF RECOMMENDATION

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

- 1) Approve Amendment 2 to increase the annual maximum contract amount with GPS Plumbing in the second, third, and fourth contract years (February 1, 2019 – January 31, 2023) from \$499,000 per year to \$599,000 per year for plumbing maintenance and services at properties in the City of San Diego that are owned and/or managed by the San Diego Housing Commission;
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to substitute the funding sources with other available funding sources provided that 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; and
- 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 take such actions as are necessary and/or appropriate to implement these approvals.

SUMMARY

The Housing Commission has a continuing need for plumbing maintenance and repair services at its affordable rental housing sites. These plumbing services include ongoing routine, preventive and emergency maintenance on a 24-hour basis, to be billed as needed. To maintain maximum efficiency in providing these services, both in-house staff and skilled maintenance service providers are utilized. To effectively and efficiently meet this need, the Housing Commission Board of Commissioners (Board) approved the award of a contract to GPS Plumbing on January 12, 2018, as outlined in Housing Commission Board Report HCR18-011.

The Housing Commission Board on February 8, 2019, approved an amendment to the initial contract to increase the annual maximum contract amount in the first year (February 1, 2018 – January 31, 2019) by \$100,000. At that time, no increases for option years was requested as a new procurement for water heater replacement was anticipated. Significant work on the procurement for water heater replacement has occurred, including inspections, assessments and prioritization of work. The water heater replacement project applies to the Housing Commission's full real estate portfolio, and additional time is needed to finalize the procurement and commence the anticipated work. To maintain the expected service levels, Housing Commission staff is seeking to amend the agreement with GPS Plumbing, increasing the annual agreement value from \$499,000 to \$599,000 per year. The increase is due to higher than anticipated levels of service and repair needed by the aging portfolio. Going forward, a separate procurement for large-scale projects will be conducted, so that the routine service contract is not utilized for such initiatives.

FISCAL CONSIDERATIONS

Because the GPS Plumbing contract is structured as an on-call, as-needed contract, the above-referenced maximum annual contract capacity of not to exceed \$599,000 annually does not constitute a guaranteed award amount or expenditure obligation by the Housing Commission to the respective contractor. Neither does the specified maximum contract amount constitute a budgetary encumbrance or obligation by the Housing Commission. Approving this contract will not affect the Fiscal Year 2020 budget, wherein plumbing services have been budgeted at approximately \$432,000 and approximately \$230,000 has been spent, thus far, in Fiscal Year 2020. Budgetary encumbrances for future fiscal years will occur in accordance with the Housing Commission's budgetary process.

The GPS Plumbing contract and respective amendments cross over fiscal years. The budget for plumbing repair in Fiscal Year 2019 was approximately \$386,000 and Fiscal Year 2020 is approximately \$432,000. Plumbing repair expense for Fiscal Year 2021 will be approved through the budget process.

EQUAL OPPORTUNITY/CONTRACTING

GPS Plumbing is a local, woman-owned business that is certified as a Section 3 Business Concern by the Housing Commission. GPS Plumbing submitted the required EOC forms and Workforce Report at the time the original contract was executed.

PREVIOUS COUNCIL and/or COMMITTEE ACTION

The award of the Plumbing Maintenance and Repair Services Contract was approved by the Housing Commission Board on January 12, 2018. The first amendment to increase the 1st Option year funding amount was approved by the Housing Commission Board on February 8, 2019.

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Amendment to Plumbing Maintenance and Repair Services Agreement

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KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include residents at Housing Commission-owned properties and the Housing Commission Property Management Department.

ENVIRONMENTAL REVIEW

This activity is not a project as defined by the California Environmental Quality Act Section 21065 and State CEQA Guidelines Section 15378(b)(5), as it is an administrative 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. Processing under the National Environmental Policy Act is not required as no federal funds are involved in this action.

Respectfully submitted,

Emmanuel Arellano

Emmanuel Arellano
Vice President of Asset Management
Real Estate Division

Approved by,

Jeff Davis

Jeff Davis
Executive Vice President & Chief of Staff
San Diego Housing Commission

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