



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: September 18, 2020

HCR21-080

SUBJECT: Second Amendment to Landscape and Irrigation Maintenance Services Agreement at Properties in the City of San Diego That Are Owned or Managed by the San Diego Housing Commission, Contract o. PM-19-17

COUNCIL DISTRICT: Citywide

ORIGINATING DEPARTMENT: Real Estate

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

REQUESTED ACTION:

Advance notice of San Diego Housing Commission (Housing Commission) hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(B).

Ratify a second amendment to the contract for landscape and irrigation maintenance services at properties in the City of San Diego that are owned and/or managed by the San Diego Housing Commission to increase the annual maximum compensation amount by \$55,107 in the first year (September 1, 2019 – August 31, 2020) with additional increases of \$55,107 per year for the four remaining one-year options. The total contract cost is \$1,857,000, for one year with four one-year options to renew.

EXECUTIVE SUMMARY OF KEY FACTORS:

- The Housing Commission has a continuing need for landscape and irrigation maintenance services at its affordable rental housing properties. These services include designated monthly maintenance on an agreed schedule as outlined in the contract.
- Although covered within the scope of the contract, the annual contract amount did not include landscaping expenses historically approved outside of the contract, such as on-call irrigation repairs, installation of new plant materials, bark mulch, etc.
- Changes to the procurement process were enacted after September 2019, which required expenses that were not levied against the landscape contract in previous years to be included in the vendor's annual compensation aggregate; this exceeded the vendor's contract capacity nearly 60 days before the end of the contract's term.
- To maintain the expected service levels, Housing Commission staff recommends amending the agreement with NatureScape Services, Inc., increasing the annual agreement value from \$316,293 per year to \$371,400 per year.



REPORT

DATE ISSUED: September 15, 2020

REPORT NO: HCR20-080

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of September 18, 2020

SUBJECT: Second Amendment to Landscape and Irrigation Maintenance Services Agreement at Properties in the City of San Diego That Are Owned or Managed by the San Diego Housing Commission, Contract No. PM-19-17

COUNCIL DISTRICT: Citywide

REQUESTED ACTION

Advance notice of San Diego Housing Commission (Housing Commission) hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(B).

Ratify a second amendment to the contract for landscape and irrigation maintenance services at properties in the City of San Diego that are owned and/or managed by the San Diego Housing Commission to increase the annual maximum compensation amount by \$55,107 in the first year (September 1, 2019 – August 31, 2020) with additional increases of \$55,107 per year for the four remaining one-year options. The total contract cost of \$1,857,000, for one year with four one-year options to renew, allocated as follows:

Contract Term	Not-to-Exceed Amount*
Year 1 (September 1, 2019 – August 31, 2020)	\$371,400
1 st Option (September 1, 2020 – August 31, 2021)	\$371,400
2 nd Option (September 1, 2021 – August 31, 2022)	\$371,400
3 rd Option (September 1, 2022 – August 31, 2023)	\$371,400
4 th Option (September 1, 2023 – August 31, 2024)	\$371,400
Total Contract Cost	\$1,857,000

STAFF RECOMMENDATION

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

- 1) Ratify Amendment 2 to the contract for landscape and irrigation maintenance services at properties in the City of San Diego that are owned and/or managed by the Housing Commission to increase the annual maximum contract amount with NatureScape Services, Inc. in the first, second, third, fourth, and fifth contract years (September 1, 2019 – August 31, 2024) from \$316,293 per year to \$371,400 per year; and
- 2) Authorize the President & Chief Executive Officer (President & CEO), or designee, to substitute the funding sources with other available funding sources provided 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 landscape and irrigation maintenance services at its affordable rental housing properties. These services include designated monthly maintenance on an agreed schedule as outlined in the contract. Although covered within the scope of the contract, the annual contract amount did not include landscaping expenses historically approved outside of the contract, such as on-call irrigation repairs, installation of new plant materials, bark mulch, etc. Shortly after the contract was approved in September of 2019, changes to the procurement process were enacted, which required that all services performed must be covered under a contract. Consequently, expenses that were not levied against the landscape contract in previous years were now included in the vendor’s annual compensation aggregate and exceeded the vendor’s contract capacity nearly 60 days before the end of the contract’s term.

As reflected below, actual landscape costs over the prior three fiscal years have exceeded the original compensation terms reflected in the current contract. This is due to repair work being completed outside the existing contract before the fall 2019 procurement policy change. In addition, it is anticipated that landscape repairs will be less in the upcoming year as a large number repairs have been completed in the prior years.

	FY18 Actuals	FY19 Actuals	FY20 Actuals	FY21 Budget
Irrigation Repairs	\$63,782	\$81,946	\$8,907	\$51,380
Landscape Contract	\$363,614.	\$356,458	\$367,984	\$356,131
Total:	\$427,396	\$438,404	\$376,891.00	\$407,511

To maintain the expected service levels, Housing Commission staff is seeking to amend the agreement with NatureScape Services, Inc., increasing the annual agreement value from \$316,293 per year to \$371,400 per year. As explained, this increase is primarily due to a change in methods of procurement and contracting subsequent to the initiation of this agreement.

FISCAL CONSIDERATIONS

The landscaping and irrigation maintenance agreement is a combination of a negotiated terms contract with a fixed annual cost for scheduled services and an on-call, as-needed agreement for maintenance and repairs of irrigation and landscaping. The maximum annual contract capacity of not to exceed \$371,400 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. Budgetary encumbrances for future fiscal years will occur in accordance with the Housing Commission’s budgetary process.

Fiscal year 2021 funding sources:

Local Unrestricted Funds \$ 371,400

Fiscal year 2021 funding uses:

Property Expenses \$ 371,400

EQUAL OPPORTUNITY/CONTRACTING

NatureScape Services, Inc. is a local Small Business. NatureScape Services submitted the required Equal Opportunity Contracting forms and Workforce Report.

PREVIOUS HOUSING COMMISSION ACTION

The award of the Landscape and Irrigation Maintenance Services Contract was approved by the Housing Commission on July 18, 2019 (Report No. HCR19-095). The first amendment to remove 6847 Potomac Street from the sites serviced list under Contract Attachment No. 3 Compensation Schedule was approved by staff on February 20, 2020.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include residents at Housing Commission-owned properties, NatureScape Services, Inc., and the Housing Commission.

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,

Chris Garrabrant

Chris Garrabrant
Real Estate Analyst
Real Estate Division

Approved by,

Jeff Davis

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

Docket materials are available in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org