



City of Sacramento City Council

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915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: 8/14/2012

Report Type: Consent

Title: Supplemental Agreement: Securement Services for Community Development

Report ID: 2012-00691

Location: Citywide

Recommendation: Pass a Motion authorizing the City Manager, or the City Manager's designee to execute a supplemental agreement with Gray Construction and Securement Services, Inc. in the amount of \$100,000, for a total not to exceed amount of \$189,995 in order to provide securement services for the Community Development Department.

Contact: Ron O' Connor, Operations Manager-(916) 808-8183, Community Development

Presenter: Ron O' Connor, Operations Manager-(916) 808-8183, Community Development

Department: Community Development Dept

Division: Housing & Dangerous Buildings

Dept ID: 21001311

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Supplemental Agreement

City Attorney Review

Approved as to Form
Steve Itagaki
7/31/2012 10:31:52 AM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
7/23/2012 11:13:48 AM

Approvals/Acknowledgements

Department Director or Designee: Max Fernandez - 7/26/2012 2:29:41 PM



Description/Analysis

Issue: Council approval is requested for a second supplemental agreement to the existing non-professional services agreement with Gray Construction and Securement Services, Inc. to provide as-needed securement services to the City of Sacramento. Currently, the Community Development Department (CDD) is planning to conduct formal competitive bidding for a new contract for this service. However CDD would like additional time to revise certain sections of the new contract to better serve the City's needs. During the time needed for CDD to prepare and award the new contract, there will be a continuing need for securement services. CDD estimates that it will need an additional \$100,000.00 to continue securing unsafe properties during the procurement process.

The original contract amount is \$70,000.00, and the first supplemental agreement increased the amount by \$19,995.00. The proposed second supplemental agreement will increase the amount by \$100,000.00, bringing the total contract amount to \$189,995

CDD requests that City Council approve the second supplemental agreement to the existing contract with Gray Construction and Securement Services, Inc.

Policy Considerations: None.

Environmental Considerations:

California Environmental Quality Act (CEQA): This project is exempt from CEQA because it does not have the potential for causing a significant effect on the environment. (CEQA Guidelines §15061(b)(3).)

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Gray Construction and Securement Services, Inc. currently is the primary provider of on-call building securement services for the City. This service becomes necessary when a property is not in compliance with City Code and public safety requires the property to be secured until a solution for the violation(s) is attained. Housing and Dangerous Buildings Division has experienced a surge in the volume of securements due to the increasing number of foreclosures and vacant properties in the city. By the conclusion of this fiscal year, the Housing & Dangerous Buildings Division of CDD will have contracted for about 150 securements. Initially, bids for this service were solicited informally on the City's bid line, and Gray Construction and Securement Services, Inc. was determined to be the lowest responsible bidder. It is critical that this service be continued to address the nuisances and unsafe conditions created when properties are not in compliance with building

codes and standards as well as other related laws. Staff requests the approval of the City Council for a second supplemental agreement to Gray Construction and Securement Services, Inc. to expire on or before December 30, 2012. Prior to the expiration date, a new contract will be executed following a formal competitive bid process for securement services.

Financial Considerations: No additional funding is requested. The following is a summary of Gray Construction and Securement Services' original contract and two (2) supplemental agreements.

| Gray Construction Securement Services | Original Contract Amount | 1 st Supplemental Amount | 2 nd Supplemental Amount | CONTRACT TOTAL |
|---------------------------------------|--------------------------|-------------------------------------|-------------------------------------|----------------|
| | \$70,000.00 | \$19,995.00 | \$100,000.00 | \$189,995.00 |

Emerging Small Business Development (ESBD): Gray Construction and Securement Services, Inc. is a certified small business and will apply for Local Business Enterprise (LBE).



BACKGROUND

Securement Services Supplemental Agreement for Gray Construction Company, Inc.

Securement services are an integral part of code compliance efforts in the city and are performed in accordance with Sacramento City Code, Title 8 Health and Safety. This service becomes necessary when a property is not in compliance with City Code, and public safety requires the property to be secured until remediation of the violation(s) is attained. Securements prevent possible entry through breached openings to a structure and help prevent the property from being an attractive nuisance and a potential threat to public safety.

Following a public bidding process last year (City Bid #B11211313009), a one-year contract for a primary on-call securement service contract in the amount of \$70,000 was awarded to the Gray Construction Company, Inc. on January 18, 2012.

During the past few months, the increased volume of securements has required a supplemental agreement to Gray Construction Company's contract in the amount of \$19,995.00, which was issued on June 18, 2012, and increased the not-to-exceed total contract amount to \$89,995.00.

CDD's Housing & Dangerous Building Division is currently developing a new securement services bid and contract that will be posted for bidding when completed in the next month. During this preparation period and procurement process, a second supplemental agreement in the amount of \$100,000 to the Gray Construction Company's contract has become necessary in order to continue providing securements of dangerous structures/properties. After approval of the second supplemental agreement, the new not-to-exceed total for Gray Construction Company's contract will be \$189,995.00.



CONTRACT SUPPLEMENT (Nonprofessional Services)

Project Title and Job Number: **On-Call Building Securement Services**
Purchase Order #: **0000016315**

Date: **6/26/12**
Contract Supplement No.: **2**

The City of Sacramento ("City") and Gray Construction Company ("Contractor"), as parties to that certain Nonprofessional Services Agreement designated as Agreement Number 2012-0009, including any prior contract supplements modifying said agreement (said agreement and contract supplements are hereafter collectively referred to as the "Agreement"), hereby supplement and modify the Agreement as follows:

1. The scope of Services specified in Exhibit A of the Agreement is amended as follows:

N/A

2. In consideration of increased volume of securements of unsafe structures and time to bid and award a new contract, the maximum not-to-exceed amount that is specified in Exhibit B of the Agreement for payment of Contractor's fees and expenses, is **increased** by \$100,000, and said maximum not-to-exceed amount is amended as follows:

| | |
|--|------------------|
| Agreement's original not-to-exceed amount: | <u>\$70,000</u> |
| Net change by previous contract supplements: | <u>\$19,995</u> |
| Not-to-exceed amount prior to this contract supplement: | <u>\$89,995</u> |
| Increase by this contract supplement: | <u>\$100,000</u> |
| New not-to-exceed amount including all contract supplements: | <u>\$189,995</u> |

3. Contractor agrees that the amount of increase or decrease in the not-to-exceed amount specified in section 2, above, shall constitute full compensation for the additional and/or revised services specified in section 1, above, and shall fully compensate Contractor for any and all direct and indirect costs that may be incurred by Contractor in connection with such additional and/or revised services, including costs associated with any changes and/or delays in work schedules or in the performance of other services or work by Contractor.

4. Contractor warrants and represents that the person or persons executing this contract supplement on behalf of Contractor has or have been duly authorized by Contractor to sign this contract supplement and bind Contractor to the terms hereof.

5. Except as specifically revised herein, all terms and conditions of the Agreement shall remain in full force and effect, and Contractor shall perform all of the services, duties, obligations, and conditions required under the Agreement, as supplemented and modified by this contract supplement.

Approval Recommended By:

Project Manager

Approved By:

Contractor

Approved By:

City of Sacramento

Approved As To Form By:

City Attorney

Attested To By:

City Clerk