



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: APRIL 20, 2021**

FROM: GENERAL SERVICES DEPARTMENT **WARD: 1**

SUBJECT: AWARD BID NO. 7812 TO R. DEPENDABLE CONSTRUCTION INC., LOCATED IN SAN BERNARDINO, CALIFORNIA, FOR THE CONVERSION OF AN EXISTING INDUSTRIAL BUILDING LOCATED AT 2881 HULEN PLACE INTO BRIDGE HOUSING FOR HOMELESS INDIVIDUALS, APPROVE A CONSTRUCTION AGREEMENT IN THE AMOUNT OF \$1,050,000 WITH A CONTINGENCY OF \$157,500 FOR UNFORESEEN CONDITIONS AND CITY DIRECTED IMPROVEMENTS FOR A BUDGETED AMOUNT OF \$1,207,500, AND PURSUANT TO CITY OF RIVERSIDE RESOLUTION 23530, DECLARING THE ESTABLISHMENT OF EMERGENCY HOUSING, ADOPTED BY THE CITY COUNCIL DECEMBER 17, 2019

ISSUE:

Award Bid No. 7812 to R. Dependable Construction Inc., located in San Bernardino, California for the conversion of an existing industrial building located at 2881 Hulen Place into bridge housing for homeless individuals; approve a Construction Agreement in the amount of \$1,050,000, with a contingency of \$157,500 for unforeseen conditions and City directed improvements for a budgeted amount of \$1,207,500, and pursuant to City of Riverside Resolution 23530, declaring the establishment of emergency housing, adopted by the City Council, December 17, 2019.

RECOMMENDATIONS:

That the City Council:

1. Approve the award of Bid No. 7812 for a Construction Agreement to R. Dependable Construction Inc., for the conversion of a City owned industrial building located at 2881 Hulen Place, for Homeless Services Bridge Housing in the amount of \$1,050,000;
2. Authorize a 15% change order authority in an amount up to \$157,500 for unforeseen conditions and City directed improvements; and
3. Authorize the City Manager, or his designee, to execute the Construction Agreement with R. Dependable Construction Inc., including making minor and non-substantive changes and contract extensions.

BACKGROUND:

Acknowledging that homelessness is a citywide issue, the City Council approved a Housing First Strategy in March of 2018, which among other recommendations, directed staff to find resources to build service capacity at the Hulen Homeless Service Campus. In 2019, the City of Riverside identified 439 unsheltered persons as part of the countywide Point in Time Count. This number has since increased to 587 in 2020. In dealing with its homeless populations, the Hulen Homeless Access Center (Access Center) has become a primary resource for addressing this human services crisis.

On December 2, 2018, the City Council approved Resolution No. 23387 declaring a Shelter Crisis Declaration to, among other powers, apply for State of California Homeless Emergency Aid Program (HEAP) funding through the County of Riverside to aid a Bridge Housing Project at the Hulen Homeless Service Campus. The City received an award of \$606,575 in HEAP funding from the County of Riverside for the Bridge Housing Project. The City also received State Homeless Housing, Assistance and Prevention (HHAP) Program funds in the amount of \$300,000, and \$350,000 of FY 2020/21 Community Development Block Grant (CDBG) funds. Recently, the City was notified by the County of Riverside that they were reallocating HEAP funding from programs that cannot meet the HEAP expenditure deadline of June 30, 2021. As a result, the County of Riverside will be awarding the City an additional \$254,500 for the Bridge Housing project, which will bring the total funding allocation to \$1,511,075.

DISCUSSION:

Bid No. 7812, *CDBG Funding of Existing Industrial Building Into Housing For the City of Riverside Bridge Housing Project*, was placed on the City of Riverside's PLANETBIDS online portal on January 29, 2021 and closed February 25, 2021. Bid No. 7812 attracted 34 prospective bidders and five bid responses. R. Dependable was determined by City staff to be the responsive low bidder at \$1,050,000. The second lowest bidder was BWB & Company Inc. providing a bid of \$1,257,592 and the highest bid received was for \$1,670,000. R. Dependable has worked closely with several City Homeless Services projects including the Pallet Shelter Project and recent tenant improvements at the Access Center. Past experiences with R. Dependable indicate they are reliable, responsive and capable of quickly adjusting to meet City requirements.

The subject building, located at 2881 Hulen Place, is approximately 4,287 Sq. Ft. of vacant space that was used for storage. The design of the facility will economize interior space by minimizing the amount of common area and office space to maximize the number of private rooms. This approach will provide approximately 23 private rooms, providing temporary bridge housing for 23 homeless individuals. Bridge housing is provided to homeless individuals who either have home connections via the coordinated entry system or are living on the streets of Riverside. The facility will serve approximately a minimum of 88 clients annually.

Due to HEAP funding requirements, the HEAP funding must be expended by June 30, 2021. To achieve this requirement, HEAP funds have already been allocated for architectural services and will be first expended funds for construction. The Bridge Housing Project's completion date is projected for the end of August 2021.

This funding request is for building construction capital only. The City will pay for the ongoing management of the bridge housing facility once opened with local and State resources.

The Office of Homeless Solutions concurs with the recommendations of this report.

The Purchasing Manager concurs that the recommendation to award Bid No. 7812 to R. Dependable Construction, Inc. is in compliance with Purchasing Resolution No. 23256.

FISCAL IMPACT:

The total impact of this action is \$1,207,500. Project funds in the amount of \$606,570 will come from Development Grants Fund HEAP Project Account 9408900-440220. Additional funding in the amount of \$250,930 will come from Development Grants Fund Homeless Housing Assistance and Prevention Program Bridge Housing Account 9341820-440210 and \$350,000 from Community Development Block Grant Fund Bridge Housing Account 9272700-440120. Any on-going operating costs resulting from this project will be funded by non-General Fund dollars.

Prepared by: Carl Carey, General Services Director
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Moises Lopez, Deputy City Manager
Approved as to form: Kristi J. Smith, Interim City Attorney

Attachments: Bid Award Recommendation