



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL** **DATE: JUNE 1, 2021**

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

**SUBJECT: AWARD BID NO. 7841 FOR THE CONVERSION OF AN EXISTING INDUSTRIAL BUILDING FOR BRIDGE HOUSING TO R. DEPENDABLE CONSTRUCTION INC., OF SAN BERNARDINO, CALIFORNIA IN THE AMOUNT OF \$1,160,900 PLUS A 20% CONTINGENCY AND APPROVE A SECOND AMENDMENT AND RESTATED SUBRECIPIENT AGREEMENT FOR THE 2018 HOMELESS EMERGENCY AID PROGRAM CAPITAL IMPROVEMENT PROJECTS WITH THE COUNTY OF RIVERSIDE – SUPPLEMENTAL APPROPRIATION**

## **ISSUES:**

Award Bid No. 7841 for the conversion of an existing industrial building for bridge housing to R. Dependable Construction Inc., of San Bernardino, California in the amount of \$1,160,900 plus a 20% contingency and approve a Second Amendment and Restated Subrecipient Agreement for the 2018 Homeless Emergency Aid Program Capital Improvement Projects with the County of Riverside.

## **RECOMMENDATIONS:**

That the City Council:

1. Award a Construction Agreement for Bid No. 7841 for the conversion of an existing industrial building for bridge housing to R. Dependable Construction Inc., of San Bernardino, California in the amount of \$1,160,900 plus a 20% contingency for a total amount of \$1,393,080;
2. Approve a Second Amendment and Restated Subrecipient Agreement for the 2018 Homeless Emergency Aid Program (HEAP) Capital Improvement Projects with the County of Riverside for an additional allocation of HEAP funding in the amount of \$254,500;
3. With at least five affirmative votes, authorize increase in revenue and appropriate expenditures in an equal amount of \$254,500 in the Development Grants Fund HEAP Homeless Emergency Aide Account;
4. Authorize the City Manager, or his designee, to execute the Construction Agreement with R. Dependable Construction Inc., of San Bernardino, California, including making minor and non-substantive changes; and
5. Authorize the City Manager, or his designee to execute the Second Amendment and

Restated Subrecipient Agreement for the 2018 Homeless Emergency Aid Program Capital Improvement Projects with the County of Riverside, including making minor and non-substantive changes.

## **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 2020, the City of Riverside identified 587 unsheltered persons as part of the countywide Point in Time Count. This number will rise, particularly if economic conditions worsen in the region. 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 an additional allocation of HEAP funding was available from programs that cannot meet the HEAP expenditure deadline of June 30, 2021. As a result, the County of Riverside will allocate an additional \$254,500 in HEAP funding for the Bridge Housing project. The additional funding will bring the total HEAP funding allocation to \$861,075 and total project funding to \$1,511,075.

## **DISCUSSION:**

The original Bid for this project, Bid No. 7812, *CDBG Funding of Existing Industrial Building Into Housing For the City of Riverside Bridge Housing Project*, was posted to PLANET BIDS on January 29, 2021. Due to the inability to qualify a responsive bidder within the budget for the project, all bids received were rejected. The updated bid for the project, Bid No. 7841, *CDBG Funding of Existing Industrial Building Into Housing For the City of Riverside Bridge Housing Project*, was posted to PLANET BIDS on April 16, 2021. Bid No. 7841 attracted thirty-two prospective bidders and five bid responses. R. Dependable Construction Inc. (R. Dependable) was determined by City staff to be the responsive low bidder at \$1,160,900. The second lowest bidder was Edra Construction Corporation, providing a bid of \$1,438,301.60 and the highest bid received was for \$2,398,000. R. Dependable has worked closely with the City on several 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 Riverside Bridge Housing Project will convert an industrial building into temporary bridge housing for 23 homeless individuals who either have home connections via the coordinated entry system or are living on the streets of Riverside. The subject building, located at 2881 Hulen Place, is approximately 4,287 Sq. Ft. of vacant space. 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. The approach will provide approximately 23 private rooms and will serve 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 disbursed for construction work. The Bridge Housing Project's completion date is projected for October 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. Staff will bring forward an operating agreement for City Council to consider at a later date.

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

The Purchasing Manager concurs that the recommendation to award Bid No. 7841 to R. Dependable Construction Inc. of San Bernardino, California is in compliance with Purchasing Resolution No. 23256.

### **FISCAL IMPACT:**

The total fiscal impact of this recommendation is \$1,393,080. Upon approval, with 5 affirmative votes of the City Council, an increase of \$254,500 will be recorded in Development Grants Fund HEAP Revenue Account 9408900-334300 and an equivalent amount appropriated in the Development Grants Fund HEAP Expenditure Account 9408900-440220. The remaining balance of the fiscal impact of \$1,138,580 has been budgeted and is available in the accounts listed below. Should the recommendations be accepted the total project budget is reflected in the accounts listed below:

Development Fund - HEAP Homeless Emergency Aide – Supplemental Appropriation to 9408900-440220	\$254,500.00
Development Fund - HEAP Homeless Emergency Aide Account No. 9408900-440220	\$493,369.33
Development Fund - Homeless Housing Assistance, and Prevention Program Bridge Housing Account No. 9341820-440210	\$295,210.67
CDBG Fund - Bridge Housing Account No. 9272700-440120	\$350,000.00
<b>Total Project Costs:</b>	<b>\$1,393,080.00</b>

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:

1. Second Amendment and Restated Subrecipient Agreement for the 2018 Homeless Emergency Aid Program Capital Improvements Projects with the County of Riverside
2. Bid Award Recommendation