

Item 4
File 10-1228

Department(s):
Human Services Agency (HSA)
Real Estate Division

EXECUTIVE SUMMARY

Legislative Objective

- The proposed resolution would (a) concur with the Human Services Agency's Declaration of Emergency on August 12, 2010, and (b) amend the agreement between the HSA and the Hamilton Family Center, a non-profit organization, by increasing the agreement by \$180,000, from \$1,748,519 to \$1,928,519 for FY 2010-2011, to fund (i) the temporary construction lift and garbage chutes (estimated at \$10,000) and (ii) the complete overhaul of the elevator at the shelter located at 260 Golden Gate Avenue (estimated at \$170,169).

Key Points

- The Human Services Agency entered into an agreement with the Hamilton Family Center to provide family shelters at the Hamilton Family Residences and Emergency Center (Center), at 260 Golden Gate Avenue from July 1, 2009 through June 30, 2013 for a total of \$7,014,628. The agreement for FY 2010-2011 is \$1,748,519, which is funded through the City's General Fund and the State's Food Stamp and Training (FSET) Program.
- The elevator located at 260 Golden Gate Avenue stopped functioning in August 2010 and requires a complete overhaul. On October 4, 2010, a temporary construction lift and garbage chutes were installed on the outside of the Center to transport laundry, food, and supplies up to the fourth floor and to remove garbage from the upper floors. Families that could not use the stairs to reach the upper floors were relocated to nearby shelters.
- Under the normal City's competitive procurement process, a period of approximately six months is needed, with up to an additional three months to repair the elevator, such that the Center would be without an operational elevator for an estimated nine months.
- On August 12, 2010, the President of the Human Services Commission declared an emergency to completely overhaul the elevator on an expedited basis, or within three months. Repairs on the elevator are scheduled to commence October 27, 2010 and finish in late December 2010.

Fiscal Impacts

- Approval of the proposed resolution would result in \$180,000 of additional expenditures. HSA was able to draw down more Federal and State funds than anticipated for various programs, resulting in \$180,000 of available General Fund savings to pay for the proposed expenditures.

Recommendation

- Amend the proposed resolution on page 1, lines 15 and 16 to delete "Department of Real Estate" and insert "Real Estate Division".
- Approve the proposed resolution, as amended.

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

City Administrative Code Section 21.15 allows City departments to declare an emergency in order for the impacted City department to immediately procure commodities or services, to safeguard lives or property of the City or to maintain public health or welfare caused by the breakdown of equipment, without undergoing the City's normal competitive process. In order to respond to such an emergency, Section 21.15 allows City departments to execute contracts in the most expeditious manner, but states that if the emergency permits, the department head must first secure the written approval of the president of the board or commission concerned. In addition, Section 21.5 provides that the purchaser or department impacted by the emergency should attempt to obtain at least three bids for the emergency contract. If the emergency contract exceeds \$100,000, in accordance with Section 21.15, it is subject to approval by the Board of Supervisors.

Background

Based on the results of a Request for Proposal (RFP) process in November 2008, the Human Services Agency (HSA) entered into a four-year agreement with the Hamilton Family Center, a nonprofit organization, from July 1, 2009 through July 30, 2013, to provide shelter, eviction prevention assistance, rapid re-housing, youth programming, and support services for homeless families at the Hamilton Family Residences and Emergency Center (Center), located at 260 Golden Gate Avenue. That four-year agreement is for a total of \$7,014,628¹, funded from the (a) City's General Fund (approximately 95 percent) and (b) the State's Food Stamp and Training (FSET) Program (approximately five percent). For FY 2010-2011, this agreement is funded for \$1,748,519 out of the total four-year agreement cost of \$7,014,628.

According to Mr. David Curto, Director of Contracts at the Human Services Agency, until 1999, the Hamilton Family Residences and Emergency Center at 260 Golden Gate Avenue formerly served as the headquarters for the San Francisco Fire Department. According to Mr. Curto, in early 2000, the City decided to use the building at 260 Golden Gate Avenue as a family shelter and the Fire Department subsequently transferred the property to the HSA for such use. The building currently has four floors, including 46 rooms with 186 shelter beds on the first three floors and a kitchen, dining room, laundry room, and children's play area on the fourth floor.

In early August 2010, the sole elevator that services the Center at 260 Golden Gate Avenue ceased functioning correctly. According to Mr. Curto, the elevator is 48 years old and has required frequent repairs over the past several years. However, Mr. Curto now advises that the elevator can no longer operate with temporary fixes and a complete overhaul is required.

Without an operational elevator, residents of the four-story Center must rely on the stairs to access the various floors. Mr. Curto advises that the elevator is the main means of transporting

¹ The agreement was not subject to Board of Supervisors approval because the agreement was under \$10,000,000 and the term was under ten years.

(a) families and children to the dining room on the fourth floor, three times per day, (b) residents to do their laundry on the fourth floor, and (c) bulk food and supplies to the kitchen/dining area on the fourth floor every day.

On August 12, 2010, the President of the Human Services Commission declared an emergency in a letter to the Executive Director of the Human Services Agency, stating that the “operation of the elevator is critical to the families served” at the Center. The Center relocated families who were unable to climb multiple flights of stairs several times per day, to other nearby shelters. In addition, Mr. Curto advises that on October 4, 2010, a temporary construction lift and garbage chutes were installed on the outside of the Center to transport laundry, food, and supplies up to the fourth floor and to remove garbage from the upper floors. According to Mr. Curto, HSA has rented the construction lift and garbage chutes from Cresco Rentals from October 4, 2010 through January 15, 2011, by which time the overhaul of the elevator is projected to be completed.

The costs associated with installing and renting the construction lift and garbage chutes are approximately \$10,000, and are included in the requested \$180,000 increase to the existing agreement with the Hamilton Family Center.

According to Mr. Curto, the existing four-year agreement between the HSA and the Hamilton Family Center pays for minor maintenance services, but not major repairs such as the subject needed complete overhaul of the elevator. Mr. Curto notes that the Hamilton Family Center currently has an elevator maintenance contract with ThyssenKrupp to service the elevator, at the Center for a cost of \$6,600 per year. Additionally, while the Real Estate Division² currently oversees several elevator maintenance contracts for other HSA properties, the Real Estate Division does not have an elevator maintenance contract with ThyssenKrupp on the building at 260 Golden Gate Avenue.

HSA obtained an estimate of \$170,169 from ThyssenKrupp in August 2010 for a complete overhaul of the elevator at the Hamilton Family Residences and Emergency Center, with such work to extend from October 27, 2010 through late December 2010. The \$170,169 cost includes overhauling the elevator to modern operating standards and in compliance with the Americans with Disabilities Act (ADA).

The proposed resolution would amend the agreement between the HSA and the Hamilton Family Center to increase the Hamilton Family Center FY 2010-2011 agreement by \$180,000, from \$1,748,519 to \$1,928,519 to fund (i) the estimated \$10,000 for the installation and rental of the temporary construction lift and garbage chutes and (ii) the estimated \$170,169 for the complete overhaul of the elevator.

Mr. Curto advised that the City’s normal competitive procurement process, including reviewing bids and selecting a firm, takes approximately six months, with up to an additional three months to complete the overhaul the elevator, for a total of nine months without elevator service.

² The Board of Supervisors approved an ordinance in November 2008 that authorized the Real Estate Division (referred to in the proposed resolution as the “Department of Real Estate”) to award public works contracts under Section 6.65 of the City’s Administrative Code for the maintenance and repair of elevators, escalators, security systems, and fire protection systems (File 08-1286).

Pursuant to Section 21.15 of the City's Administrative Code, the President of the Human Services Commission submitted a letter to the Executive Director of the Human Services Agency in which the President declared an emergency on August 12, 2010, so that the elevator could be completely overhauled on an expedited basis in order to avoid the estimated additional six months required to conduct the City's normal competitive procurement process for the overhaul of the elevator.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would (a) concur with the President of the Human Services Commission's Declaration of Emergency on August 12, 2010, and (b) authorize an amendment to the existing agreement between the Human Services Agency and the Hamilton Family Center for an increase to the agreement of \$180,000, from \$1,748,519 to \$1,928,519 for FY 2010-2011. The Hamilton Family Center would then use the \$180,000 to fund (a) the installation and rental costs of the temporary construction lift and garbage chute (estimated at \$10,000) and (b) the complete overhaul of the elevator (estimated at \$170,169).

As discussed above, Section 21.15 of the City's Administrative Code allows the HSA to declare an emergency when it becomes necessary to immediately procure commodities or services to make repairs to safeguard lives or property of the City or to maintain public health or welfare as a result of the breakdown of equipment, without undergoing the City's normal competitive process for awarding contracts. According to Mr. Curto, the lack of an elevator created an immediate hardship on the families living at 260 Golden Gate Avenue, and would have resulted in a greater public health and welfare issue if the HSA had followed the City's normal competitive procurement process, which would have taken an additional estimated six months, to restore elevator service.

FISCAL IMPACT

The proposed resolution would result in additional estimated expenditures of \$180,000 from the City's General Fund. If the proposed resolution is approved, HSA would amend the existing agreement between the Human Services Agency and the Hamilton Family Center by authorizing an additional \$180,000, to increase the agreement from \$1,748,519 to \$1,928,519. According to Mr. Curto, HSA has an additional \$180,000 of General Fund monies available to fund this increase in the Hamilton Family Center agreement because HSA was able to draw down more Federal and State funds than anticipated for various HSA programs, which resulted in such offsetting General Fund savings.

POLICY CONSIDERATIONS

No Attempts To Obtain Three Bids

The Budget and Legislative Analyst notes that the HSA did not attempt to obtain at least three bids for the emergency elevator services, as provided in Section 21.15 of the City's Administrative Code. Mr. Curto states that ThyssenKrupp is already under contract with the Center to provide elevator maintenance services. Furthermore, because ThyssenKrupp also has an existing contract with the City to provide elevator maintenance services, a contract that was competitively bid, Mr. Curto felt there was no need to separately obtain three competitive bids. Mr. Curto also states that the competitive bid process is the reason why the HSA declared an emergency: to expedite the repair process such as to minimize the hardships and disruptions to the families receiving the shelter services at the Hamilton Family Residences and Emergency Center.

Amendment to Language in Resolution

As noted in footnote 2 above, the proposed resolution references the "Department of Real Estate" instead of the accurately titled "Real Estate Division" on page 1, lines 15 and 16. Therefore, the Budget and Legislative Analyst recommends that the proposed resolution be amended to reflect the correct reference.

RECOMMENDATIONS

1. Amend the proposed resolution on page 1, lines 15 and 16 to delete "Department of Real Estate" and insert "Real Estate Division".
2. Approve the proposed resolution, as amended.