

TRACY HOMELESSNESS ADVISORY COMMITTEE REGULAR MEETING AGENDA

Thursday, June 15, 2023, 7:00 P.M.

Tracy City Hall, 333 Civic Center Plaza, Tracy

Web Site: www.cityoftracy.org

**THIS MEETING WILL BE OPEN TO THE PUBLIC FOR IN-PERSON AND
REMOTE PARTICIPATION PURSUANT TO GOVERNMENT CODE SECTION
54953(e).**

**MEMBERS OF THE PUBLIC MAY PARTICIPATE REMOTELY IN THE MEETING VIA
THE FOLLOWING METHOD:**

As always, the public may view the Tracy Homelessness Advisory Committee meetings live on the City of Tracy's website at CityofTracy.org or on Comcast Channel 26/AT&T U-verse Channel 99. To view from the City's website, open the "Government" menu at the top of the City's homepage and select "Tracy Homelessness Advisory Committee", then select "[View Homeless Advisory Committee Meetings on YouTube](#)" under the "Boards and Commissions" section.

If you only wish to watch the meeting and do not wish to address the Council, the City requests that you stream the meeting through the City's website or watch on Channel 26.

Remote Public Comment:

During the upcoming Homeless Advisory Committee meeting public comment will be accepted via the options listed below. If you would like to comment remotely, please follow the protocols below:

- *Comments via:*
 - **Online by visiting** <https://cityoftracyevents.webex.com> and using the following **Event Number: 2551 074 4003** and **Event Password: THAC**
 - ***If you would like to participate in the public comment anonymously***, you may submit your comment in WebEx by typing "Anonymous" when prompted to provide a First and Last Name and inserting Anonymous@example.com when prompted to provide an email address.
 - ***Join by phone by dialing +1-408-418-9388, enter 25510744003#8422# Press *3 to raise the hand icon to speak on an item.***

- *Protocols for commenting via WebEx:*
 - *If you wish to comment on the "Consent Calendar", "Items from the Audience/Public Comment" or "Regular Agenda" portions of the agenda:*
 - *Listen for the Chairperson to open that portion of the agenda for discussion, then raise your hand to speak by clicking on the Hand icon on the Participants panel to the right of your screen.*
 - *If you no longer wish to comment, you may lower your hand by clicking on the Hand icon again.*

- *Comments for the “Consent Calendar” “Items from the Agenda/Public Comment” or “Regular Agenda” portions of the agenda will be accepted until the public comment for that item is closed.*

Government Code Section 54954.3 states that every public meeting shall provide an opportunity for the public to address the Tracy Homelessness Advisory Committee on any item, before or during consideration of the item, however no action shall be taken on any item not on the agenda.

Full copies of the agenda are available on the City’s website: www.cityoftracy.org

CALL TO ORDER
ROLL CALL

1. CONSENT CALENDAR
2. ITEMS FROM THE AUDIENCE - *In accordance with Council Meeting Protocols and Rules of Procedure, adopted by Resolution 2019-240, a five-minute maximum time limit per speaker will apply to all individuals speaking during “Items from the Audience/Public Comment”. For non-agendized items, Advisory Committee members may briefly respond to statements made or questions posed by individuals during public comment; ask questions for clarification; direct the individual to the appropriate staff member; or request that the matter be placed on a future agenda or that staff provide additional information to the Tracy Homelessness Advisory Committee.*
3. REGULAR AGENDA
 - 3.A The Tracy Homelessness Advisory Committee receive an informational report regarding the implementation of the City Council Strategic Plan to End and Prevent Homelessness and the most recent Emergency Interim Shelter activities.
 - 3.B The Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution ratifying, pursuant to Tracy Municipal Code Section 2.20.180(B)(1), various procurement contracts for goods and general services agreements executed by the City Manager to implement Emergency Interim Housing solutions for the unsheltered.
 - 3.C The Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution approving a two-year general services agreement with Stockton Petroleum Company, Inc., in a not to exceed amount of \$500,000, for on-demand mobile fueling of diesel fuel at 370 W. Arbor Avenue, Tracy, CA 95304
 - 3.D The Tracy Homelessness Advisory Committee (THAC) discuss and provide direction regarding Phase 4 – Custom Containers at the Emergency Homeless Shelter.
 - 3.E The Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution by a four-fifths vote (1) approving an amendment to the construction contract with GradeTech, Inc. for Capital Improvement Project

(CIP) 71112 Arbor Temporary Emergency Housing Project expanding the scope of work in the amount of \$135,000 in anticipated work for a total not to exceed amount of \$435,000 for the amendment, and (2) dispensing the bidding requirements for the additional scope of work pursuant to California Public Contract Code Section 22050 and Tracy Municipal Code Section 2.20.270(a).

- 3.F The Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution ratifying, pursuant to Tracy Municipal Code Section 2.20.180(B)(1), contracts for goods and general services agreements executed by the City Manager to implement Emergency Interim Housing solutions for the unsheltered with Bicsec Security Inc., Jr Wagner Fire Protection Inc. and Temporary Restrooms.
- 3.G The Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution (1) awarding a construction contract to Arnaudo Construction, Inc., of Tracy, California in the amount of \$1,359,560 for the 384 Arbor Avenue Sewer Lift Station & Holding Tank, CIP 71112, (2) approving a project Not-to-Exceed budget of \$1,699,450 and (3) authorizing the City Manager to approve change orders up to the contingency amount of \$135,956 if needed.
- 3.H The Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution (1) awarding a construction contract to DV Electric Company, Inc., of San Jose, California (DV) in the amount of \$208,660 for the 370 Arbor Avenue Main Power Supply, CIP 71112, (2) exercising, under Section 14 of the bid documents, City's right to waive, as immaterial bid irregularities, delays by DV in strictly meeting posted deadlines for requisite federal paperwork to document its Small Business Enterprise qualification, (3) approving a project Not-to-Exceed budget of \$260,825 and (4) authorizing the City Manager to approve change orders up to the contingency amount of \$20,866 if needed, pursuant to Tracy Municipal Code Section 2.20.090(b).
- 3.I The Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution (1) awarding a construction contract to DV Electric Company, Inc., of San Jose, California (DV), in the amount of \$373,745 for the 384 Arbor Avenue Main Power Supply, CIP 71112, (2) exercising, under Section 14 of the bid documents, City's right to waive, as immaterial bid irregularities, delays by DV in strictly meeting posted deadlines for requisite federal paperwork to document its Small Business Enterprise qualification, (3) approving a project Not-to-Exceed budget of \$467,182, and (4) authorizing the City Manager to approve change orders up to the contingency amount of \$37,375, if needed, pursuant to Tracy Municipal Code Section 2.20.090(b).

4. STAFF ITEMS

5. COMMITTEE ITEMS

6. ADJOURNMENT

Posting Date: **June 13, 2023**

The City of Tracy is in compliance with the Americans with Disabilities Act and will make all reasonable accommodations for the disabled to participate in employment, programs and facilities. Persons requiring assistance or auxiliary aids in order to participate, should contact the City Manager's Office at (209) 831-6000 at least 24 hours prior to the meeting.

Agenda Item 3.A

RECOMMENDATION

Staff recommends that the Tracy Homelessness Advisory Committee receive an informational report regarding the implementation of the City Council Strategic Plan to End and Prevent Homelessness and the most recent Emergency Interim Shelter activities.

EXECUTIVE SUMMARY

This report provides an update on the City of Tracy's efforts to address the impacts of homelessness and quality of life issues in the community, including an update on the City's emergency interim shelter activities.

BACKGROUND

Recognizing the importance of responding to quality-of-life issues including the human services needs of the City's unsheltered population, the City has devoted significant resources toward addressing the impacts of homelessness within the community. Staff continues to coordinate efforts between various departments to conduct bi-weekly clean-ups of public spaces, foster partnerships with non-profit organizations to share information on services and programs with the unsheltered, secure grants to support homeless services, and continue with the construction activities of a temporary emergency housing shelter facility. City staff has worked vigorously to balance the circumstances of the unsheltered, as well as the needs of the community.

Tracy Homelessness Strategic Plan and Initiatives Updates

Pursuant to Council's reaffirmation of the emergency shelter crisis in August of 2022, the City Manager authorized staff to move forward on interim emergency shelter solutions, contracts for services, and selection of providers to run the interim site.

Goal 1: Increase Housing Options in the City of Tracy

Expansion of Interim Shelter Site

The expansion of the Interim Shelter site began in December 2022, with the arrival of eight custom containers, which anticipates increasing bed capacity with an additional 38 beds to the site. This includes one container to meet the American Disability Act (ADA) requirements.

Construction Update

- Engineering Division finalized and the three-priority construction bid packages for advertisement.
 - Equipment & Installation of permanent power to the North side (future improvement area).
 - Bid Opened: May 17, 2023.
 - Request THAC to Recommend Contract Award to City Council: June 15, 2023
 - Anticipate City Council Construction Award: July 5, 2023
 - Equipment & Installation of permanent power to the South (to the 5 current active modulars and 8 containers).
 - Bid Opened: May 25, 2023.
 - Request THAC to Recommend Contract Award to City Council: June 15, 2023.
 - Anticipate City Council Construction Award: July 5, 2023.
 - Construction of sewer lift station:
 - Bid Opened: May 25, 2023.
 - Request THAC to Recommend Contract Award to City Council: June 15, 2023.
 - Anticipate City Council Construction Award: July 5, 2023.

Custom Containers

- CC915 Construction Progress
 - As of April 17, 2023, CC915 continues not to be on-site; therefore, no construction progress has been completed. This continuous lapse of presence on-site, continues to exacerbate the ability to complete the project.

Site Completion, including Sprung Structure

- Final site design improvements for Phase III and Phase IV are anticipated to be completed in Summer 2023. Pending available funding, these will be combined with the completed Phase II improvement plans to be advertised for bids in Summer 2023.

Budget Update

The Homeless Services Division approved FY2022/23 operating budget totaled \$1.7 million, which is funded from the general fund and the American Rescue Plan Act (ARPA) funds the City received.

On November 1, 2022, the City Council approved an appropriation of \$2.6 Million from ARPA, amending the FY2022/23 operating budget, to fund professional service agreements to provide operations services for the interim shelter. On December 6, 2022, the City Council approved an appropriation of \$470,000 from the general fund, amending the FY2022/23 operating budget, to fund improvements for the interim shelter site.

Homeless Services Division budget as of May 31, 2023

<u>Revenue Sources</u>	<u>General Fund (City)</u>	<u>ARPA (City Staff)</u>	<u>ARPA (City)</u>	<u>Health Plan of San Joaquin</u>
Modulars				\$192,931
Custom Containers				\$701,756
Service Providers			\$2,600,000	
Staffing		\$200,000		
Operating (Supplies, Fuel)	\$1,892,834			\$305,313
Total Committed	\$1,892,834	\$200,000	\$2,600,000	\$1,200,000

<u>Expenditures</u>	<u>General Fund (City)</u>	<u>ARPA (City Staff)</u>	<u>ARPA (City)</u>	<u>Health Plan of San Joaquin</u>
Modulars				\$133,789
Custom Containers				\$636,156
Service Providers			\$1,142,944	
Staffing		\$183,566		
Operating (Supplies, Fuel)	\$1,222,061			\$155,313
Total Expended (as of 4/03/23)	\$1,222,061	\$183,566	\$1,142,944	\$925,258

Projected Budget Available	\$670,773	\$16,434	\$1,457,056	\$274,742
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***March and April invoices have been entered and are being processed through our internal system. These updated totals do not reflect these invoices.**

**Temporary Emergency Housing
 Facility – CIP 71112**

<u>Funding Source</u>	<u>Budget</u>	<u>Expenses</u>	<u>Encumbered (Committed)</u>	<u>Balance</u>
Community Development Block Grant (s)	\$836,294	\$836,294	\$-	\$-
Homeless Housing, Assistance & Prevention	\$743,282	\$743,282	\$-	\$-
American Rescue Plan Act - SJ County (MOU B-8245)	\$3,661,113	\$3,457,188	\$203,925	\$-
Housing Asset Funds (City)	\$690,000	\$159,192	\$60,000	\$470,808
American Rescue Plan Act - City of Tracy	\$4,500,000	\$-	\$-	\$4,500,000
Totals	\$10,430,689	\$5,195,956	\$263,925	\$4,970,808
Federal Funding	\$3,000,000			\$3,000,000
Totals	\$13,430,689	\$5,195,956	\$263,925	\$7,970,808

Grant Update

The Homeless Services Division continues to work through acceptance of the \$3 Million congressional grant. This includes having to go through an additional NEPA process with our County as the Responsible Entity, our HUD representative, and our contracted consultant. Below is a table referencing current grants that have been applied for and their status.

Funding Source	Amount Requested	Submittal Date	Award Date	Point of Contact	Status/Notes
Earmarks (Congressman Harder) Community Project Funding	\$3 Million construction	Submitted Spring/Summer 2022	Award notification March 2, 2023	Homeless Services Manager	Pending on a NEPA* addendum – potential 110 days to complete. Confirming scope of work with Consultant.
American Rescue Plan Act (ARPA) funding from San Joaquin County	\$TBD construction	October 2022	County earmarked funding for Tracy	Assistant City Manager	Pending further direction.
State Encampment Resolution Fund	\$8.5 Million operations	February 28, 2023	Pending - April 30 th However, the state is behind in the review process	Homeless Services Manager	Have reached out to the state and they are behind 2 weeks in reviewing.

* The additional NEPA addendum will require additional consulting hours and funding with a timeline of 110 days to complete. The additional NEPA is required to add the additional beds to the site along with this new funding stream.

Goal 2: Increase Access to Coordinated Support Services for People Experiencing Homelessness

Ongoing - Coordinated efforts between City departments continue, including Operations and Utilities Department, South County Fire Authority, Tracy Police Department, and the Code Enforcement team to proactively address issues related to homelessness and providing bi-weekly park clean-ups. The City teams meet weekly with one another and with our contracted providers to address any concerns with triage, referrals, or outreach efforts.

The continued bi-weekly deployment of “Operation Helping Hands” (OHH) is productive – this team includes the Homeless Services Division, Tracy Police Neighborhood Resource Officers, San Joaquin County Behavioral Health Services (BHS), Care-Link, Whole Person Care, Community Medical Centers, The Salvation Army, and local non-profits. This team coordinates outreach to our identified encampments and provides additional behavioral health support to the Tracy Interim shelter site on these outreach days.

Continuum of Care (CoC) Update

Our Homeless Services Manager is a part of several CoC subcommittees, these include Housing and Point in Time Count to name a few. The CoC has moved forward with selection of hiring a consultant to perform the Point in Time (PIT) count for 2024. In addition, we are working closely with our Homeless Management Information System (HMIS) lead agency to ensure efficient and effective reporting from our providers to implement effective data sharing for our constituents. This includes updating HMIS policies and procedures, the SJCoC data sharing memorandum of understanding (MOU) and privacy policies.

Homeless Service Provider Updates

Updated totals as of May 31th							
Homeless Service Provider	Clients in/referred to Shelter	Total number of contacts	Clients on Waitlist/Interested	Client refusal into shelter	Exits/negative	Exits/positive (family reunite/other housing)	Total approx. unsheltered/ encampments
City Net (shelter operator)	46	120	N/A	N/A	69	14	N/A
Tracy CCC (pre-shelter intake and referral)	116	166	27	47	N/A	72	68 unsheltered/ 3 encampments
Familiar Faces (Tracy PD - Outreach Coordinators)	19	122	25	37	N/A	6	46 unsheltered/ 3 encampments
Unique total			52	84	69	92	

City Net Update through May 31, 2023

City Net has processed 120 individuals into the shelter since November 14, 2022. They are providing ongoing case management support to all shelter residents. To date, 14 individuals have exited the shelter with a housing destination (positive exits).

As of May 31, 2023, the shelter has 46 individuals and 14 pets. There are an additional 27 individuals on the waiting list who have already been processed through Tracy Community Connection Center and are awaiting an open bed.

The City of Tracy is currently working with our shelter providers on updating their file system. In addition, we are working on updating their policies and procedures.

Tracy Community Connection Center Update through May 31, 2023

Tracy Community Connections Center (TCCC) has processed a total of 116 unique individuals through their Navigation Center for shelter intake to date. The City of Tracy is currently working with our providers on updating their file system.

Park Clean Up

Areas of El Pescadero Park are being fenced off as a precautionary public safety measure to mitigate potential tree hazards, evaluate the safety and condition of the landscaping, and prepare for scheduled maintenance like tree trimming. The City's future for El Pescadero Park include the construction of the new multi-generational gymnasium center.

Monthly-Totals for May:

- 2-citations issues, 3-hazard tent site removals & approximately 33 tons of trash/debris removed. PD made 4 arrests, and 20 security checks at El Pescadero Park.
- Trine Security continues to provide 24-hour security service at El Pescadero Park.
- PD (Code and FF) coordinated with a Public Works contractor to remove debris from a property used as a homeless encampment at Macarthur and 205.

Transit Update

The total ridership on the Arbor Avenue Shuttle route since inception through May 31, 2023, is 205 total passengers with an average of 1.5 passengers per day.

Goal 3: Develop Action Plans for Engaging with People Experiencing Homelessness

Ongoing - The Familiar Faces (FF) team continues to assist with shelter intake, organizing, and networking with non-profits and religious groups to identify gaps and solutions (reunification/habitat for humanity-like efforts). Police Patrol teams continue to work collaboratively on how to best utilize the FF team when out on patrol.

The FF team, alongside the Police Department are working with a consultant to ensure FF is meeting objectives and adopting operating policies and guidelines. The Police Department is working alongside this consultant in developing a Homeless Response System within our city-wide efforts that supports our City's Homelessness Strategic Plan.

TCCC continues to provide daily outreach and engagement support in the City encampments and parks. They are working collaboratively with our FF to come alongside the shelter team ensuring direct access to beds when available.

Goal 4: Enact Specific Strategies for Vulnerable Subpopulations Experiencing Homelessness

Ongoing - The City's transition plan has focused on our most vulnerable residents who are residing in City encampments. This would include but is not limited to, transitional aged youth, veterans, the LGBTQ+ community, victims of crime and those with behavioral health needs. City staff is currently working with BHS to solidify additional resources to come alongside our shelter project. During our bi-weekly deployment of Operation helping Hands we were able to connect with several of our regional and county partners. We will be coordinating with our Whole Person Care team to initiate a street medicine program. We are working on identifying areas of the City that would most benefit from this resource.

The Tracy Police Department and Familiar Faces staff continue to meet alongside our County Behavioral Health Leadership, along with the Whole Person Care team to continue discussions on how we can collaborate on serving our most vulnerable unsheltered residents here in Tracy. These meetings have led to an increase in Behavioral Health support at the shelter.

In addition, the City is in conversations with our Managed Care Plans to provide support to subpopulations as we build in bed capacity over the coming months and year.

FISCAL IMPACT

This update is provided as informational. The City funds Homeless Services through the General Fund and various grants.

ACTION REQUESTED OF THE COMMITTEE

Staff recommends that the Tracy Homelessness Advisory Committee receive an informational report regarding the implementation of the City Council Strategic Plan to end and prevent homelessness and the most recent emergency interim shelter activities.

Prepared by: Virginia Carney, Homeless Services Manager
Reviewed by: Adriana Castaneda, Director of Mobility and Housing
Reviewed by: Riana Daniel, Deputy City Attorney
Approved by: Karin Schnaider, Assistant City Manager

ATTACHMENTS

Attachment A – A Tracy Homelessness Advisory Committee Update PowerPoint
Attachment B-THAC Questions and Answers



Tracy Homelessness Advisory Committee Update

June 15th, 2023



OVERVIEW

- **Goal 1:** Increase Housing Options in the City of Tracy
- **Goal 2:** Increase Access to Coordinated Support Services for People Experiencing Homelessness
- **Goal 3:** Develop Action Plans for Engaging with People Experiencing Homelessness
- **Goal 4:** Enact Specific Strategies for Vulnerable Subpopulations Experiencing Homelessness



Think Inside the Triangle™



Goal 1: Increase Housing Options in the City of
Tracy



Interim Shelter Site



Construction Update

- Equipment & Installation of permanent power to the North side (future improvement area).
 - Anticipate City Council Construction Award: July 5, 2023
- Equipment & Installation of permanent power to the South (to the 5 current active modulars and 8 containers).
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Container Update

- CC915 Construction Progress
 - As of April 17, 2023, CC915 continues not to be on-site; therefore, no construction progress has been completed. This continuous lapse of presence on-site, continues to exacerbate the ability to complete the project.

Homeless Services Budget Update

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Think Inside the 'Triangle'

TEHF Budget

Temporary Emergency Housing Facility – CIP 71112

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Budget Update/Grant Update

Funding Source	Amount Requested	Submittal Date	Award Date	Point of Contact	Status/Notes
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State Encampment Resolution Fund	\$8.5 Million operations	February 28, 2023	Pending - April 30 th However, the state is behind in the review process	Homeless Services Manager	Have reached out to the state and they are behind 2 weeks in reviewing.



Think Inside the 'Triangle'

Revised Project Site Plan

CITY OF TRACY
TEMPORARY EMERGENCY HOUSING PROJECT

370 Warbur Ave, Tracy, CA

Date: 04/10/23



<p>PHASE I Site Preparation</p>	<p>PHASE II Site Improvements Congregate Housing & Administrative Offices</p>	<p>PHASE IV Custom Container Dorms (Single Person Rooms)</p>	<p>PHASE III Expansion with Individual Modular Units</p>
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68 BEDS

~39 BEDS

~48 BEDS

Phase 1, Site Preparation, included demolition, earthwork, and placement of major underground utilities. Site Preparation is currently substantially complete.

Phase 2, Site Improvements, builds upon completed site work and will provide a Sprung Structure with temporary bed space for 68 individuals along with access to restrooms, showers and a laundry facility.

Complete build-out for a continuous shelter site is planned and will provide additional access improvements including roadways, pedestrian pathways, site lighting, shade structures and outdoor furniture. Security improvements including cameras, fencing and automatic gates are included. Additional development at the southern portion of the site beyond Phase III residences may include additional parking or recreation space.

Phase 4 of the Temporary Emergency Housing Facility includes eight Custom Container dormitory units that can accommodate up to 39 additional individuals.

Additional restroom and shower space will be included adjacent to the Phase 2 restrooms and showers.

Phase 3 of the project provides four modular dormitory units, providing space for up to 48 individuals.

An additional modular administration structure will be located adjacent to modular dormitories and allow a base for City and shelter operations.



Think Inside the 'Triangle'

Housing Options

Temporary Housing type

The modulars, and custom containers provide housing referred to as “non-congregate” housing and the sprung structure will provide housing referred to as “congregate” housing.

Anticipated Sheltering Capacity by end 2023

Housing Type	Housing Offered	Anticipated # of beds
Congregate	Sprung Structure	68
Non-Congregate	Modulars	48
Non-Congregate	Custom Containers	39



Goal 2: Increase Access to Coordinated Support Services for People Experiencing Homelessness

Support Services Updates

- Coordinated efforts continue
- Continuum of Care Update
- Homeless Service Provider Updates
- Park clean ups
- Transit update

Provider Updates

Homeless Services Providers (as of May 31, 2023)

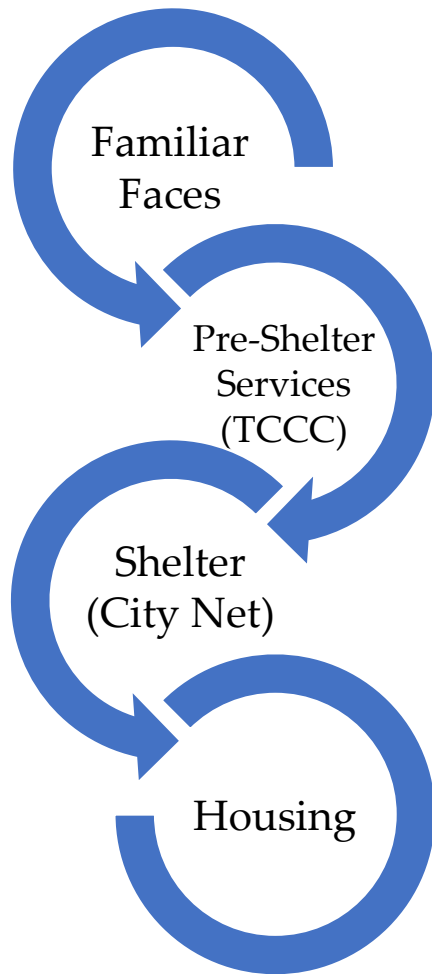
Homeless Service Provider	Clients in / Referred to Shelter	Total Number of Contacts	Clients on Waitlist/Interested	Client Refusal into Shelter	Exits / Negative	Exits / Positive	Warming Center Engagements	Total Approx. Unsheltered / Encampments
City Net (Shelter Operator)	46	120	N/A	N/A	69	14	N/A	N/A
Tracy CCC (Pre-shelter Intake and Referral)	116	166	27	47	N/A	72	N/A	68 unsheltered/3 encampments
Familiar Faces (Tracy PD – Outreach Coordinators)	19	122	25	37	N/A	6	N/A	46 unsheltered/3 encampments
Unique Total			52	84	69	92	0	





Goal 3: Develop Action Plans for Engaging
with People Experiencing Homelessness

Unsheltered Homeless Response



Familiar Faces: Responds to PD calls for service related to unsheltered homeless individuals, identification, triage, and transport.

Pre-Shelter Services: Street outreach and engagement, client needs assessment, intake, referrals to programs and or shelter site.

Emergency Shelter Operations: Daily care and program oversight of clients, maintenance of facility and site.

Housing: Transitional and permanent housing, and permanent supportive housing, etc.



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Goal 4: Enact Specific Strategies for Vulnerable Subpopulations Experiencing Homelessness

Enact Specific Strategies for Vulnerable Subpopulations Experiencing Homelessness

Develop transition plans on most vulnerable:

- Transitional aged youth
- The LGBTQ+ community
- Victims of crime
- Individuals with behavioral health needs
- Familiar Faces update

Expand Partnership with County

- Behavioral Health and Whole Person Care Collaborative efforts
- Managed Care Plans



Think Inside the Triangle™



Questions?



**Responses to the Tracy Homelessness Advisory Committee (THAC)
from May 18, 2023**

Please note that the responses below include clarity to responses provided during the THAC meeting held on May 18, 2023, as well as responses to the unanswered questions.

- 3.A The Tracy Homelessness Advisory Committee receive an informational report regarding the implementation of the City Council Strategic Plan to End and Prevent Homelessness and the most recent Emergency Interim Shelter activities.

Vice Chair Bedolla

1. What options do shelter residents have when transitioning out of the shelter?

Response: The available options depend on a case-by-case basis individual client case (depending on their circumstances). This is an area where case management works with the client to assess the individual's needs and to develop a transition plan. This plan could range from family reunification, transitional living, housing voucher, substance use/mental health treatment facility or shared housing.

2. What are our plans right now for permanent supportive housing for shelter residents? (Motel/Hotel conversations)

Response: Through the State's Project HomeKey, a local government agency may be eligible for funds to purchase and rehabilitate an existing building including hotels, motels, vacant apartment buildings, and other properties to convert them into permanent long-term housing for people experiencing or at-risk of being homeless. Additionally, a partnership is required with a non-profit or for-profit corporation.

3. Any sources of funds committee staff should be concerned about? (Referring to page 12 of budget).

Response: The City continues to work with San Joaquin County for funding the gap of approximately \$4 Million for the shelter construction of the sprung structure and site improvements (known as Phase 2). During the week of May 15, the City Manager was informed that the County withdrew their funding support until further discussions could take place. In addition, the City has a grant of \$1.2 Million from Health Plan of San Joaquin (HPSJ) that is contingent upon the addition of 38 beds at the shelter site. These beds were expected to come from Phase 4 through the custom containers; however, the custom containers from CC915 are unusable in their current state. An extension was offered to the City to have the beds in place by 10/31/2023. The City is discussing alternatives with the Committee.

4. Are the HPSJ funds used/allotted for custom containers only? Current CC915? Future containers, part of the 1.2 Million or other purposes?

Response: Funds have been used to pay for one year of the lease for the modulares, fuel costs, beds, and fences. HPSJ funds are also tied to the 38 beds that need to be in service by October 31, 2023.

5. What is the documentation process when interacting with shelter clients? How are improvements and deficiencies of providers documented?

Response: All client information is entered into Homeless Management Information System (HMIS), which is conducted upon entry into the shelter. City staff meets with City Operators weekly to discuss potential concerns/findings resulting in a required action.

6. Can we use existing contracts to focus or use their expertise to get projects like the containers running? Contract a Project Manager?

Response: The City evaluated using a Project Manager in December 2022 and received a quote for services to manage the larger construction project of Phase 2. However, due to funding shortfalls already present, the project did not move forward and was rebid to reduce costs. The available funding may not be sufficient to hire a Project Manager. Also, current vendors and consultants can be contacted to provide additional support, but to contract would mean additional money that has not been allocated.

Chair Davis

1. Are their still bids out to work on the containers?

Response: The City currently has the following three active construction bid packages (not yet awarded):

- Equipment & Installation of permanent power to the North side (future improvement area).
 - Bid Opened: May 17, 2023.
- Equipment & Installation of permanent power to the South side (to the 5 current active modulars and 8 containers).
 - Bid Opened: May 25, 2023.
- Sewer Lift Station & Holding Tank.
 - Bid Opened: May 25, 2023.

Bids for the infrastructure needed for the containers have been received from the two contractors who are under contract with the City to complete the needed water, fire systems conduits, sprinkler system connections, and electrical work.

2. Clarity needed on agenda items due to one item indicates the approval of the new containers and the other item indicates bids are still being conducted

Response: A sole source vendor has been contacted to make sure containers can be completed by deadline but pending approval of request to purchase new containers.

3. What about the existing containers?

Response: There are three pathways: Pathway 1-Legal route due to unit conditions once received (lengthy process), Pathways 2-Rehab current units which is an exorbitant cost and Pathway 3 is to purchase new units.

4. What steps were taken prior to ghosted behavior?

Response: Communication with CC915 dba Custom Containers 915 is intermittent.

5. Why was 90% paid when containers are uninhabitable?

Response: Per the Purchase Agreement for Goods with CC915 executed on October 19, 2022, under Resolution No. 2022-121, under Section 3. Purchase Price. City shall pay Vendor according to the payment schedule outline in Exhibit A, as follows:

Payment Schedule below, pursuant to agreement stipulations:

- 50% due upon execution of agreement (\$328,000)
- 40% due upon off-load (\$32,800 per container – total: \$262,400)
- 10% due upon final inspection of all containers (\$65,600)

6. Any legal action would require time, how much does it cost to rehab units through a different provider?

Response: Based on the Critical Path Analysis the estimated cost to rehab the existing units is approximately \$900,000.

7. How many vendors have been spoken to in regard to rehabbing current containers?

Response: One (1) General Contractor, informally due to time constraints, to provide their opinion of probable costs.

8. What are the options with the current containers and options need to be given of what can be done to recoup lost funds?

Response: Based on the Critical Path Analysis, the options for current custom containers are to rehab them, legal pathway, and/or dispose of them. City Attorney's Office (CAO) has shared the potential to recover costs may prove difficult. Proposed options to repurpose the eight (8) custom containers include to utilize the material from one of the units to reconfigure the remaining seven (7) custom containers, to use them as storage units for the sports complex, or disposal may include relocating the custom containers for storage.

9. How was CC915 vetted?

Response: CC915 was selected through *Modular Building Institute*, along with other potential vendors. This is a platform for reputable vendors in the **modular** business space. Several vendors were called and two other contracts with other vendors were drafted. The City pursued Pallet for portable units, QuickHaven for Tiny Homes, and CC915 for containers. The City identified CC915 based on meeting timeline and pricing availability. In addition, CC915 were able to meet the requirements by the City during the process, including the City's warranty clause pursuant to City's template for a Purchase Agreement for Goods. The other two vendors were only able to provide 25 units at a similar price where CC915 was able to produce 39.

10. Why was an out of state vendor used versus a local vendor and/or a vendor within California?

Response: CC915 was selected through *Modular Building Institute*, along with other potential vendors. This is a platform for reputable vendors in the **modular** business space. Several vendors were called and two other contracts with other vendors were drafted. The City pursued Pallet for portable units, QuickHaven for Tiny Homes, and CC915 for containers. The City identified CC915 based on meeting timeline and pricing availability. In addition, CC915 were able to meet the requirements by the City during the process, including the City's warranty clause pursuant to City's template for a Purchase Agreement

for Goods. The other two vendors were only able to provide 25 units at a similar price where CC915 was able to produce 39.

11. At the time the containers from CC915 were purchased did they meet CA code or Texas code?

Response: Upon the delivery of the custom containers, the custom containers did not meet California building code.

12. Who recommended CC915?

Response: CC915 was selected through *Modular Building Institute*, along with other potential vendors. This is a platform for reputable vendors in the **modular** business space. Several vendors were called and two other contracts with other vendors were drafted. The City pursued Pallet for portable units, QuickHaven for Tiny Homes, and CC915 for containers. The City identified CC915 based on meeting timeline and pricing availability. In addition, CC915 were able to meet the requirements by the City during the process, including the City's warranty clause pursuant to City's template for a Purchase Agreement for Goods. The other two vendors were only able to provide 25 units at a similar price where CC915 was able to produce 39.

All vetted information was submitted to the City Manager's Office (CMO) and a decision was made based on the vetting process stated above. In addition, research was provided by several city departments and staff. All the decisions that were made during this time were under the order of an emergency shelter crisis and the urgency to provide beds as soon as possible.

13. Who wrote the contract?

Response: The complete contract was drafted by the City Attorney's Office and forwarded to the Homeless Services Manager for review. Contracts are then vetted through proper channels (CAO and CMO). Project Manager was out on medical leave during this process and unable to review scope of work and/or specifications under exhibits.

14. Who signed off on the contract?

Response: The contract was signed off by a Deputy City Attorney in the City Attorney's Office and by the City Manager.

15. Who signed off on the payment to CC915

Response: The Payment Schedule was part of the Purchase Agreement for Goods. Processed invoices were signed off by the City Manager when the agreement was approved.

16. Were any container projects that CC915 had completed in California?

Response: Yes, modulars completed in Chico and Bay Area.

17. Were these containers new?

Response: Yes.

18. When these containers arrived, who was there to receive the containers and make sure they were what was ordered and dates of when this happened?

Response: The Construction Manager was on-site on December 22, 2022, during the first delivery of the 2 custom containers and on December 29, 2022, when the second delivery of 6 custom containers.

19. Who received them? Who from the City was there on 12/22 and 12/29 to receive the containers?

Response: Construction Manager, Mr. Ward was there on both days to receive containers. Mr. Ward indicated that CC915 specified that there were still some installations needed and pending improvements that were transit related and that the CC915 contractor would return to do the minor repairs. CC915 was on site on the 29th and 30th to turn over to inspectors. Punch list was sent out January 4, 2023, follow-up conducted without response – the previous statement is inaccurate. CC915 hired Best Electric to address punch list and work commenced on electrical issues starting Thursday, February 2, 2023. From that point on, there were several iterations of concerns expressed by our onsite inspectors. On March 21, 2023, the completion timeline was extended based on the additional concerns shared by our inspectors. This subsequently brought about an inspection process by the City. CC915 / Best Electric did not adhere to the process and CC915 became unresponsive on April 17, 2023.

20. Do you have anything that the committee can show and share with counsel reflecting that you reached out to several container companies and prices they quoted you? Was anyone \$600,000 or less or just CC915?

Response: Both previously mentioned vendors (Pallet and Quickheaven) that the City was considering were in the same price range, however, only equipped for 25 units. CC915 was providing 39 units.

21. What does it mean that CC915 offered the best? Best price? Was this decision solely based on price?

Response: Between price and timeline, most vendors could not meet timeline.

22. How big of a difference between other containers timelines?

Response: Staff will provide this information with the requested options as alternatives.

23. Asked for transparency when legal pursuit is started against CC915 and provide the date notice is given.

Response: Staff is working with the City Attorney's Office and will update as issues progress.

24. Documentation on how vendor was vetted, google reviews, yelp reviews, any clients you reached out to for feedback on work provided by vendor (locally or in Texas)?

Response: CC915 was vetted through Modular Building Institute. No google nor yelp reviews were found during the forensic process.

- 3.B The Tracy Homelessness Advisory Committee receive an informational report regarding the City's shelter operators' approved services and a financial summary of the implementation of the City Council Strategic Plan to End and Prevent Homelessness.

Vice Chair Bedolla

1. What is the typical range of administrative cost for these entities (providers) as a percentage of invoices? (10+TCCC, 14+CityNet)

Response: Usually between 10-15%.

Chair Davis

1. Provider contracts end on 10/31. What is the thought process on renewal or no renewal on the current providers?

Response: The City will follow the formal procurement process for Request for Proposals.

2. Timeline of current or new provider consideration to bring to committee/council?

Response: Will come back in June with recommendations.

3. Is public being updated on email requests if taking longer than usual?

Response: Redaction on emails, 8 outgoing and working on information Executive Assistants are aware of being able to give out partials that have already been redacted. In addition, all staff members have relinquished devices to provide any public requested information.

4. What is the total monthly cost being given out to both providers?

Response: Provider costs provided during PowerPoint presentation from Nov-Feb.

5. Explain variances between months?

Response: Variances are due to rapid start-up costs and numbers will go down as rapid startup has ended and staffing is now local.

6. Staff to address duplication of services. Are we addressing that both providers are now providing similar services? Do we really need two organizations providing the same or similar services?

Response: File audits have been conducted on both providers to verify that HMIS data is being updated and services to clients being provided is based on their manual. Results from audit are currently in the City Attorney's que for review and forms from the City of Tracy to implement with team.

Response: Initially TCCC was providing those services at intake and both TCCC, Familiar Faces and City Net have implemented case conferencing to discuss gaps in services.

7. Will a copy of the results from the audit be provided to the committee and public?

Response: Explained that audit was more of a file review and not an audit perse and the file review conducted will help in developing the criteria for the upcoming RFP for providers. Results of file review will be shared shortly.

- 3.C The Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution approving the bylaws for the Committee.

No questions on this item.

- 3.D The Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution ratifying, pursuant to Tracy Municipal Code Section 2.20.180(B)(1), various procurement contracts for goods and general services agreements executed by the City Manager to implement Emergency Interim Housing solutions for the unsheltered.

Vice Chair Bedolla

1. The purchase of fire alarms and fire sprinklers are for CC915 or new containers?

Response: Regardless of container company used fire alarms and sprinkler system would need to be installed for existing or new containers.

2. Is 3D at all related to 3H? Or this authority tied to any other declaration?

Response: This item is only related to item 3H, to rescind the resolution # 2022-121, installed on custom containers. The rescinding of this resolution will not impact anything moving forward.

Chair Davis

1. Can they defer their vote until they hear 3.E?

Response: City Attorney indicated that this okay, to hear 3.E first, before making a decision on 3.D.

- 3.E The Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution approving a procurement agreement with Linked Equipment, LLC for the purchase of eight pre-manufactured custom container structures in an amount not to exceed \$716,320 to be the installed as part of the site improvements at the Temporary Emergency Housing Project, CIP 71112, at 370 W. Arbor Avenue.

Vice Chair Bedolla

1. Price and timing aside, Why did we decide to go with a non-CA code set of containers?

Response: This company had already provided showers and restrooms. I am unsure why we went with a vendor that was not based in California and will ask project manager.

If this question is in reference is regarding Linked Equipment, their units are CA code compliant and inspected and certified by the California Department of Housing and Community Development (HCD).

2. What would it look like if we did all three options, getting the congregate shelter built, getting the new containers, and restoring and/or repurposing existing containers for a different use (storage)? Is there anything that can be done to not cut them off as a loss (existing containers)?

Response: Phase 2 and 3 would be around \$2.1 Million. What can we do with current containers? If existing containers did not have to meet code, \$2.1 Million could cover cost for phases 2 and 3 and repurposing containers.

Response: Recommended Linked Equipment's, when first developing phase 2 looking for vendors who could provide customized bathroom, shower, laundry, and mechanical rooms, contacted a number of vendors in CA and nearby states. Most vendors contacted were not able to customize containers to the criteria that the City was looking for, for example. Restroom containers that were not ADA compliant and most would not go through the process to get the HCD certification, company in Arizona has experience with HCD process and everything that they build is custom to clients' needs and that is how they decided to go with Linked Equipment's and HCD certs need to go to the State to be approved and that is why they went with Linked for bathrooms, showers, laundry, and mechanical units designed for the original project.

3. What creative ideas can staff come up with regarding repurposing existing containers?

Response: With some repairs and modifications to the existing containers, custom container units could be repurposed for on-site sports equipment or other park site storage, or pet kennels, or other types of utility rooms at locations where power is available.

4. Why did it take 4 months to now come to this decision?

Response: Also, why did it take 4-months to complete repairs / punch list? Initially CC915 gave the completion date of March 30. City inserted a new inspection date and completion date was extended to April 30. Last day CC915 was on site was April 17, 2023. Two meetings via TEAMS and conference call were held and became quite apparent that CC915 would not complete the work.

The City has been actively engaged with the CC915 to make the required correction since early January 2023.

5. Has staff thought about more modular units? Is this an option in place of the containers?

Response: No current discussion of modular units.

6. Phase 3 Modulars-Is this an option?

Response: This can be an option; this came through a recommendation that due to COVID these modular dorm units were ready to go. It takes time to find and build these types of modulars and these modulars came from St. Mary's University. Most modulars are office and not sleeping. Also, Tiny Homes (pallet homes) was an option, however, concerns with contract and that they could not satisfy the time frame they were looking for and that is why they pivoted to containers. Tiny Homes can be an option, but we need to work with the time frame that we have. Current focus is on the new containers, and we need to make a significant decision with that, but ALL options should be on the table, but the time frame is the issue.

7. If the committee does not move forward with the new containers, then what is the option?

Response: It would then have to go back to the bid process and would delay the process.

8. Have we contacted modular company recently if they have and/or can build more dorm modulars?

Response: During the time the modulares were leased the vendor indicated that at the moment they did not have any other dorm modulares. The modular vendor was contacted again this week and indicated that lead time to get new dorm units similar to the ones on site would take 6 to 8 months.

Chair Davis

1. Who would be responsible for removing the old containers?

Response: Staff will evaluate as part of the reuse of the containers.

2. Cost to remove containers?

Response: There are locations throughout the city where they can be stored but have not really discussed options of repurposing the containers. When the vendor abandoned the units, the critical analysis was created.

3. Is HPSJ willing to go a different route in regard to getting the 38 beds by 10/31 and not be containers?

Response: The funds from HPSJ are tied to the 38 beds and they need to be in service by October 31.

4. Any flexibility for those 38 beds to be part of the congregate structure instead of the containers?

Response: Funding is tied into the department of healthcare service. Providing funding for community organizations to increase respite, recoup beds and shelter beds. This funding is tied to HPSJ report to the regional state funds they have received. HPSJ is aware of the state of the containers, however, the bed capacity date is non-negotiable. Also, the sprung structure needs to go to bids and would not meet HPSJ 10/31 deadline.

5. How many rooms does each container hold?

Response: Seven (7) of the units have five (5) individual rooms, one unit has four (4) individual ADA compliant rooms.

6. What other real alternatives do we have besides the containers to meet the time constraint? Tuff Sheds, tiny homes, Volumetric here in town?

Response: Discussion with volumetrics was held, but the timeline was the issue.

On May 18, 2023, the THAC Committee re-directed staff to provide additional options besides Linked Equipment as a potential alternative vendor to complete Phase 3. Staff engaged with Volumetrics Senior Sustainability Manager and held a virtual meeting on May 23, 2023, to discuss options.

7. Are we looking at all options?

- Tiny Homes
- Modulares
- Containers
- Safe Parking
- Safe Camping

Response: On May 18, 2023, the THAC Committee re-directed staff to provide additional options besides Linked Equipment as potential alternative vendors to complete Phase 3. Staff has conducted additional research on the above five (5) alternatives and are presented under Staff Report 3. D.

8. Who is in charge of this current project? Is there a project manager?

Response: The creation of the “Interim Shelter and Transition Plan” was brought about at City Council’s request to develop a plan to address the existing shortfall of beds necessary to remove the encampments from the El Pescadero Park to relieve the families and residents impacted by the makeshift dwellings and unsanitary activities there at the park which impacted their quality of life. This request was a direct result of the rejection of the primary project to erect the Sprung Structure at the Arbor Road location.

Project Management of all CIP projects have historically originated in and been managed by the Engineering Division, of the Development Services Department. The initiation of the project to acquire the eight (8) modular units as part of the solution to removing the encampments from El Pescadero Park brought about a shift in responsibility. During the timeframe the modular units were identified in October 2022, the Director of Development Services resigned. As did the City’s Engineer. The project manager originally responsible for site development in preparation for the Sprung Structure was out on personal leave.

In this void, the City Manager assigned the Assistant City Manager the responsibility of identifying and obtaining suitable accommodations to fill the remaining thirty-eight (38) beds needed to clear El Pescadero Park. The Assistant City Manager enlisted the assistance of the Homeless Shelter Manager to identify a reputable service to identify and select a vendor who could provide the number of beds required within the timeframe necessary to meet the grant requirements. The contract was drafted, reviewed by the City Attorney’s office, and signed by a Jr. Attorney out of the City Attorney’s office and the City Manager.

Two (2) units were delivered on December 22, 2022, and the remaining six (6) units were delivered on December 29, 2022, in the midst of a severe atmospheric weather event. Upon inspection January 4, 2023, by City Inspectors, it was clear the units were not constructed in accordance with California Code. The City Inspectors developed a list of items needing to be addressed and delivered them to the Assistant City Manager.

The Assistant City Manager accompanied by the Director of the Operations and Utilities Department met with the president and logistics manager of Custom Container 915 to share the list of discrepancies and to develop a solution to address them expeditiously. From January 2023 through April 12, 2023, and after numerous exchanges between the Assistant City Manager, Director of Operations and Utilities and Customer Containers 915, the subcontractor hired by Customer Containers stopped work with no notice. Up to this point, Custom Containers 915 gave every impression of their intention to correct the deficiencies.

Upon realizing Custom Containers 915 abandonment from the project, the Assistant City Manager immediately sought counsel from the City Attorney’s office. On May 15, 2023, Custom Containers 915 contacted the Assistant City Manager and Director Jackson to share they had a list of items which had been corrected. Director Jackson forwarded this list to the City Inspectors for verification. The inspectors reported ten (10) of the twenty (20) items listed on their list had been addressed. The remaining ten (10) could not be verified as they did not have access to the storage unit on site with the units.

9. Timeline?

Response: Please find below Timeline of Events related to Purchase Agreement of Goods with CC915, if dates/events are missing, please add to the draft timeline below.

- Executed Purchase Agreement of Goods October 19, 2022
- Purchase Order October 24, 2022
- 1st Payment Approved on October 25, 2022
- Containers Delivered on December 22 and 29, 2022
- Punch list provided to CC915 January 4, 2023
- 2nd Payment Approved on January 5, 2023
- On March 21, 2023, City conveyed to CC915 condition of open containers with standing water at various locations because of rainy weather
- Revised Work Schedule from Best Electric (CC915 Contractor) received on March 24, 2023, reflecting a completion date of April 29, 2023
- CC915 last on site the week before April 17, 2023

10. Who vetted CC915?

Response: CC915 was selected through *Modular Building Institute*, a platform for reputable vendors in the **modular** business space. Several vendors were called and two other contracts with other vendors were drafted. The City pursued Pallet for portable units, QuickHaven for Tiny Homes, and CC915 for containers. The City identified CC915 based on meeting timeline and pricing availability. In addition, CC915 were able to meet the requirements by the City during the process, including the City's warranty clause pursuant to City's template for a Purchase Agreement for Goods.

11. Who received these containers?

Response: Construction Manager, Mr. Ward was there on both days to receive containers. Mr. Ward indicated that CC915 specified that there were still some installations needed and pending improvements that were transit related and that the CC915 contractor would return to do the minor repairs. CC915 was on site on the 29th and 30th to turn over to inspectors. Punch list was sent out January 4, 2023, follow-up conducted without response – the previous statement is inaccurate. CC915 hired Best Electric to address punch list and work commenced on electrical issues starting Thursday, February 2, 2023. From that point on, there were several iterations of concerns expressed by our onsite inspectors. On March 21, 2023, the completion timeline was extended based on the additional concerns shared by our inspectors. This subsequently brought about an inspection process by the City. CC915 / Best Electric did not adhere to the process and CC915 became unresponsive on April 17, 2023.

12. When were they received?

Response: Construction Manager, Mr. Ward was there on both days to receive containers. Mr. Ward indicated that CC915 specified that there were still some installations needed and pending improvements that were transit related and that the CC915 contractor would return to do the minor repairs. CC915 was on site on the 29th and 30th to turn over to inspectors. Punch list was sent out January 4, 2023, follow-up conducted without response – the previous statement is inaccurate. CC915 hired Best Electric to address punch list and work commenced on electrical

issues starting Thursday, February 2, 2023. From that point on, there were several iterations of concerns expressed by our onsite inspectors. On March 21, 2023, the completion timeline was extended based on the additional concerns shared by our inspectors. This subsequently brought about an inspection process by the City. CC915 / Best Electric did not adhere to the process and CC915 became unresponsive on April 17, 2023.

13. Who authorized the 90% of payment without having a viable product?

Response: Per the Purchase Agreement for Goods with CC915 executed on October 19, 2022, under Resolution No. 2022-121, under Section 3. Purchase Price. City shall pay Vendor according to the payment schedule outline in Exhibit A, as follows:

Payment Schedule below, pursuant to agreement stipulations

- o Payment 1: Processed by Homeless Services Manager and approved by City Manager on October 25, 2022.
- o Payment 2: Processed by Homeless Services Manager and approved by Assistant City Manager on January 5, 2023.

14. Would like to know when the company has been served and when they have been reported to Texas board of licensing and registration?

Response: Staff is working with City Attorney’s Office on responding to vendor.

15. Financing about money being spent, requesting forensic audit of the temporary emergency shelter, what is spent and all the numbers and who got paid what and when?

Response: Please refer to the detailed budget breakdown below provided by the Finance department reflecting up to date expenses for the Homeless Services Division and the CIP-TEHF as of June 1, 2023.

Homeless Services Division
Expenses paid to date as of 6/01/2023

Description	2021	2022	2023	Grand Total
Alarm Monitoring			\$ 1,758	\$ 1,758
Bunkbeds for Homeless Shelter			\$ 66,099	\$ 66,099
Custom Containers - Interim Site			\$ 646,556	\$ 646,556
Fire & Burglar Alarm Install			\$ 100,325	\$ 100,325
Generator/Fuel - Interim			\$ 655,689	\$ 655,689
Interim Site			\$ 511,826	\$ 511,826
Modulars - Interim Site			\$ 153,503	\$ 153,503
Monthly-El Pescadero Ptty			\$ 13,260	\$ 13,260
Operating Supplies	\$ 427	\$ 1,733	\$ 118,195	\$ 120,356
Personnel		\$ 14,796	\$ 222,552	\$ 237,347
Shelter Service Providers			\$ 1,146,907	\$ 1,146,907
Shelter Site - Water			\$ 27,707	\$ 27,707
Warming Center	\$ 152,666	\$ 105,946	\$ 41,109	\$ 299,721
Grand Total	\$ 153,093	\$ 122,475	\$ 3,705,486	\$ 3,981,054

Total Expensed to date :
 Homeless Division Budget \$3,981,054
 Temporary Emergency Shelter (CIP) \$5,005,378
\$8,986,432

CIP - 71112 Temporary Emergency Housing

Vendor	PO#	Amount	Expenses	Notes
United Fence Services Inc	2101538	\$ 4,200.00	\$ 4,200.00	
The KPA Group	2102079	\$ 37,730.00	\$ 37,730.00	
David W Enke, L.S.	2102295	\$ 2,000.00	\$ 2,000.00	
Stockton Environmental Inc	2102369	\$ 500.00	\$ 500.00	
The KPA Group	2102401	\$ 981,435.00	\$ 981,435.00	
Pace Supply Corporation	2102419	\$ 8,275.40	\$ 8,614.04	
David W Enke, L.S.	2200766	\$ 3,000.00	\$ 3,000.00	
Kimley Horn	2200875	\$ 73,700.00	\$ 73,700.00	
David W Enke, L.S.	2200909	\$ 2,400.00	\$ 2,400.00	
Wood Rodgers	2201288	\$ 10,940.00	\$ 7,110.00	
California Surveying	2201432	\$ 100.00	\$ 99.59	
SWRCB	2201473	\$ 756.00	\$ 756.00	
Tracy Press	2201560	\$ 720.00	\$ 720.00	
Tracy Press	2201562	\$ 396.00	\$ 396.00	
Tracy Press	2201912	\$ 103.50	\$ 103.50	
Tracy Press	2201938	\$ 103.50	\$ 103.50	
Tracy Press	2201981	\$ 468.00	\$ 468.00	
Tracy Press	2201982	\$ 468.00	\$ 468.00	
Pacific Gas & Electric Co	2202412	\$ 71,441.88	\$ 71,441.88	
Gradetech, Inc	2202437	\$ 1,072,523.17	\$ 972,523.16	
ABC Imaging of Washington Inc	2202448	\$ 810.47	\$ -	
Gradetech, Inc	2202457	\$ 2,378,480.00	\$ 2,213,132.98	
Federal Express Corporation	2202625	\$ 40.48	\$ 40.48	
Terracon Consultants Inc	2202836	\$ 628.00	\$ 628.00	
Studio Blue Reporgraphics Inc	2202847	\$ 467.46	\$ 467.46	
Terracon Consultants Inc	2300713	\$ 2,622.00	\$ 2,622.00	
Terracon Consultants Inc	2300714	\$ 1,463.00	\$ 1,463.00	
Terracon Consultants Inc	2301102	\$ 1,068.00	\$ 1,068.00	
David W Enke, L.S.	2301241	\$ 4,620.00	\$ 4,620.00	
Linked Equipment	2301494	\$ 551,887.44	\$ 365,829.39	
GateHouse Media California Holdings Inc	2301509	\$ 534.20	\$ 534.20	
The KPA Group	2301659	\$ 220,045.00	\$ 16,120.00	
Tracy Press	2301761	\$ 936.00	\$ 936.00	
Advertising			\$ 3,504.39	
David W Enke, L.S.			\$ 10,220.00	
Staff Charges			\$ 176,195.00	
Construction Materials			\$ 1,018.99	
Design Support			\$ 7,556.54	
Permits			\$ 31,653.18	
			\$ -	

\$ 5,005,378.28

		BUDGET	EXPENSES	BALANCE
ARPA	252	\$ 4,500,000	\$ 265,336	\$ 4,234,664
San Joaquin County (ARPA)	301	\$ 3,661,113	\$ 3,120,783	\$ 540,330
HHAP	261	\$ 329,240	\$ 329,240	\$ -
HHAP R2	261	\$ 414,042	\$ 414,042	\$ -
CDBG (3 Grants)	268	\$ 836,294	\$ 836,294	\$ -
Housing Asset Funds	282	\$ 690,000	\$ 39,683	\$ 650,317
Current Budget		\$ 10,430,689	\$ 5,005,378	\$ 5,425,311
			\$ -	
Harder - Federal		\$ 3,000,000		\$ 3,000,000
CDBG FY23/24		\$ 349,167		\$ 349,167
		\$ 13,779,856	\$ 5,005,378	\$ 8,774,478

Agenda Item 3.B

RECOMMENDATION

Staff recommends that the Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution ratifying, pursuant to Tracy Municipal Code Section 2.20.180(B)(1), various procurement contracts for goods and general services agreements executed by the City Manager to implement Emergency Interim Housing solutions for the unsheltered.

EXECUTIVE SUMMARY

This agenda item is to provide a summary of several actions followed by staff to implement emergency interim housing solutions for the unsheltered, and to receive ratification by City Council of the various contracts for goods and general services. On August 16, 2022, the City Council adopted Resolution No. 2022-121 (Resolution), which reaffirmed an emergency shelter crisis as the City of Tracy continues to experience an increasing number of unsheltered individuals. Due to the declaration of an emergency, the Resolution authorized the City Manager to take requisite actions needed to expeditiously provide interim housing solutions. The Resolution also dispensed the procurement requirements for professional services pursuant to Tracy Municipal Code Section 2.20.140(b)(6).

Since the adoption of the Resolution and in accordance with Council direction, staff has continued to move forward with implementing interim housing solutions. The City Manager has executed contracts under the authority of the Resolution. To fully inform the City Council and the public, this agenda item summarizes certain actions taken by the City Manager to address the shelter crisis, which involved the procurement of goods and general services. Additionally, since the Resolution only dispensed the procurement requirements for professional services, the Tracy Municipal Code requires that such contracts for certain purchases and general services be ratified by Council.

BACKGROUND AND LEGISLATIVE HISTORY

On March 10, 2020, the City Council declared a shelter crisis through the adoption of Resolution 2020-052. On September 1, 2020, Council authorized the creation of a Capital Improvement Project (CIP) for the Temporary Emergency Housing Project on Arbor Avenue, CIP 71112 (Facility), to create a safe and dignified facility for residents experiencing homelessness. Phase 1 of the project, which included demolition of an existing structure, installation of underground utilities and grading, began in 2022 and has been completed. Phase 2, which is to include the construction of above ground structures, fencing and sidewalks, was to begin in summer 2022. Only one bid was received, and the bid was deemed non-responsive, because the required federal compliance forms were not included in the bid packet. The bid also significantly exceeded the engineers' estimate.

On August 16, 2022, staff recommended that City Council reject the single bid received for the Temporary Emergency Housing Project on Arbor Avenue, Site Improvements Construction Package 2, CIP 71112, and authorize staff to re-advertise the project and rebid of the project. As this created a delay, on August 16, 2022, the City Council adopted Resolution No. 2022-121, which reaffirmed an emergency shelter crisis as the City of Tracy continues to experience an

increasing number of unsheltered individuals. Due to the declaration of an emergency, the Resolution authorized the City Manager to take requisite actions needed to expeditiously provide interim housing solutions. The Resolution also dispensed the procurement requirements for professional services pursuant to Tracy Municipal Code Section 2.20.140(b)(6).

ANALYSIS

The Resolution, adopted on August 16, 2022, directed the City Manager to take immediate and emergency actions necessary to implement interim housing solutions for Tracy's unsheltered population until the completion and opening of the Temporary Emergency Housing Project on Arbor Road. It also waived the competitive bidding requirements for professional services under the TMC, relating to the implementation of interim housing solutions. As noted above, at the time of adopting Resolution No. 2022-121, the City was exploring the leasing of fully constructed modular units to locate on Arbor Road and did not anticipate undertaking additional construction activities at the site beyond what had already been completed as part of Phase 1 of the Temporary Emergency Housing Project. Staff was unable to identify feasible alternative housing solutions due to various site constraints and logistical issues. As directed, per the Resolution, the City mobilized rapidly to undertake certain construction activities to install the units and operate them with adequate health and safety protections.

In January 2023, staff secured a new vendor for fuel that resulted in a savings of almost \$1.50 a gallon. Finally, the City expanded the temporary fencing around the Temporary Housing Emergency Shelter site to secure the construction areas and enhance security of the residents and staff at the shelter until the permanent fence is installed.

As noted above, the Resolution waived the procurement requirements for professional services pursuant to Tracy Municipal Code Section 2.20.140(b)(6) to provide the City Manager quicker options to secure services from interim shelter operators. At the time, the procurement of additional goods and services had not been contemplated, so they were not addressed in the Resolution. Tracy Municipal Code Section 2.20.180 requires that, for purchases or general services of \$50,000 or more, the City follow a formal bidding procedure for the procurement of such purchases or general services. Section 2.20.180(b)(1) allows formal bidding procedures to be dispensed in an emergency, provided that the City Manager reports to the City Council, at the next regular meeting, the reasons justifying why the emergency will not permit a delay resulting from a competitive solicitation for bids and why the action is necessary to respond to the emergency. Due to the imminent need to provide housing solutions, the following purchases and contracts were necessary to respond to the housing emergency:

SIGNED CONTRACTS PROPOSED FOR CITY COUNCIL RATIFICATION

<u>Vendor</u>	<u>Summary</u>	<u>Ratification Amount</u>	<u>Not to Exceed Amount</u>
SC Fuel	January 2023 through May 2023 fuel costs	\$125,000	\$125,000
United Fence Services	Temporary fencing until permanent fencing installed	\$180,000	\$200,000
	TOTAL	\$305,000	\$325,000

The above-mentioned procurement contracts for goods and general services agreements collectively total \$325,000 as part of the ratification request.

FISCAL IMPACT

The City secured a grant of \$1.2 million from Health Plan of San Joaquin for the costs of the custom containers and interim site expenses related to Phase 3 and Phase 4. In addition, the City has committed funding from ARPA for the operations costs at the Temporary Housing Emergency Shelter. Per City Council’s approval of the \$1.2 Million dollar grant, below is a breakdown of the funding allocation.

<u>Revenue Sources</u>	<u>Health Plan of San Joaquin</u>
Modulars (phase 3 first year)	\$192,931
Custom Containers (phase 4)	\$701,756
Operating (Supplies, Fuel) (phase 3 and 4 first year)	\$305,313
Total Committed	\$1,200,000

CEQA DETERMINATION

Government Code section 8698.4 exempts the application of the California Environmental Quality Act (CEQA) to various actions taken by public agencies to implement the construction of a homeless shelter in response to a declared shelter crisis. In addition, the interim solutions taken thus far are in furtherance of and related to the permanent solution that will be implemented, referred to as the Temporary Emergency Housing Project on Arbor Avenue (CIP 71112). A Notice of Exemption was issued on October 16, 2020, for the Temporary Emergency Housing site at 500 Arbor Avenue in accordance with Government Code sections 65660-65662 for Low Barrier navigation Centers and Section 15269(c) of the CEQA Guidelines (14 Cal. Code Regs. 15269(c) for (Emergency Projects). No environmental impacts beyond those already analyzed for the CIP exist; accordingly, no further CEQA analysis is needed.

STRATEGIC PLAN

This agenda item supports the Public Safety Strategic Priority, *Implement the adopted Homelessness Strategic Plan*.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution ratifying, pursuant to Tracy Municipal Code Section 2.20.180(B)(1), various procurement contracts for goods and general services agreements executed by the City Manager to implement Emergency Interim Housing solutions for the unsheltered.

Prepared by: Karin Schnaider, Assistant City Manager

Reviewed by: Adriana Castaneda, Director of Mobility and Housing

Reviewed by: Bijal Patel, City Attorney

Approved by: Midori Lichtwardt, Interim City Manager

AGENDA ITEM 3.C

RECOMMENDATION

Staff recommends that the Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution approving a two-year general services agreement with Stockton Petroleum Company, Inc., in a not to exceed amount of \$500,000, for on-demand mobile fueling of diesel fuel at 370 W. Arbor Avenue, Tracy, CA 95304.

EXECUTIVE SUMMARY

The City of Tracy purchases fuel to operate generators located at 370 W. Arbor Avenue, Tracy, CA 95304 to provide power to the Temporary Emergency Housing Facility site. This agenda item is to award the diesel fuel supply services to Stockton Petroleum Company, Inc. in the amount not to exceed \$500,000.

BACKGROUND AND LEGISLATIVE HISTORY

The City requires on-demand mobile fueling of diesel fuel for four generators with an estimated capacity of 400 gallons each with two generators active at all items. There are also an additional two backup generators for the daily operation of the Temporary Emergency Housing Facility. Fuel is delivered to 370 W. Arbor Avenue, Tracy, CA 95304.

On February 23, 2023, staff issued a Notice of Request for Bid (Request for Bid) for on-demand mobile services of diesel fuel to provide the City with a fuel supplier at 370 W. Arbor Avenue, Tracy, CA 95304. On March 10, 2023, the City received three bid packages from three fuel suppliers. Staff reviewed and analyzed all the bids received based on the Oil Price Information Service (OPIS) of Stockton Daily Rack Average and their Mark-up for each fuel type requested. OPIS is a Dow Jones Company that provides pricing transparency to buy and sell oil and energy commodities with confidence. The selected fuel supplier was evaluated based on the lowest Mark-up.

There are three fuel grades the City can purchase: Dyed CARB Ultra Low Sulfur Diesel, CARB Ultra Low Sulfur Diesel, and Renewable Diesel (HDRD) provided by the three fuel suppliers. Additionally, the Mark-up price and Total Price Per Gallon is considered in this comparison to determine the lowest fuel supplier. Three bids were received, each with their own Mark-up over the OPIS indicator, as follows:

- Valley Pacific Petroleum Inc. 20¢ above OPIS ($\$3.451 + .20 = \$3.3.651$) per gallon
- Stockton Petroleum Co. Inc. \$1.59 above OPIS ($\$3.4556 + \$1.59 = \5.0456) per gallon
- SC Commercial, LLC dba SC Fuels \$2.00 above OPIS ($\$3.4515 + \$2.00 = \5.4515) per gallon

As a result, the lowest responsive bid was submitted by Valley Pacific Petroleum Services, Inc. based on meeting the bid requirements, and Mark-up over daily rack average, and current City fuel consumption. Valley Pacific Petroleum Services, Inc. was selected as the lowest bid; however, Valley Pacific Petroleum Services, Inc. rescinded their bid offer. Therefore, Stockton

Petroleum Company, Inc. was then offered the service agreement as the second lowest responsive bid.

Upon approval, the initial term of the Agreement will be from July 1, 2023, through July 1, 2025, and not to exceed \$500,000 for on-demand mobile fueling of diesel fuel at 370 W. Arbor Avenue, Tracy, CA 95304. The Request for Bid noticed that the City reserved the right to grant extensions to the initial term. Should staff recommend extensions be exercised by the City, staff will return to the City Council to get such authorization and requisite budget appropriation. The not to exceed amount is based on the average monthly fuel consumption cost times the OPIS per gallon plus the Mark-up. The table below reflects the monthly fuel consumption at the Temporary Emergency Housing Facility site.

370 W. Arbor Avenue, Tracy, CA 95304 Fuel Consumption						
	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Monthly Average
Gallons consumed	2,006.20	2,817.10	3,992.80	3,087.10	3,821.20	3,144.88

**Tracking began 1/16/2023*

Therefore, Stockton Petroleum Company, Inc. OPIS plus Mark-up per gallon results in an average annual fuel consumption cost in the amount of \$250,000, resulting in a not to exceed amount of \$500,000 for the two-year general services agreement term for this contract. Also, this realizes a savings of \$0.4059 cents per gallon and a monthly average savings of \$1,276.51 from the current fuel services agreement. STRATEGIC PLAN

This agenda item supports the Public Safety Strategic Priority, Implement the adopted Homelessness Strategic Plan.

FISCAL IMPACT

The City secured a onetime grant of \$1.2 Million from Health Plan of San Joaquin for the costs of interim shelter site construction and operating expenses related to executing Phase 3 and Phase 4 of the shelter project. In addition, the City has committed funding from ARPA for the operations costs at the Temporary Emergency Housing Facility. Per City Council’s approval of the \$1.2 Million dollar grant, below is a breakdown of the funding allocation.

<u>Revenue Sources</u>	<u>Health Plan of San Joaquin</u>
Modulars (phase 3 first year)	\$192,931
Custom Containers (phase 4)	\$701,756
Operating (Supplies, Fuel) (phase 3 and 4 first year)	\$305,313
Total Committed	\$1,200,000

CEQA DETERMINATION

Government Code section 8698.4 exempts the application of the California Environmental Quality Act (CEQA) to various actions taken by public agencies to implement the construction of a homeless shelter in response to a declared shelter crisis. In addition, the interim solutions taken thus far are in furtherance of and related to the permanent solution that will be implemented, referred to as the Temporary Emergency Housing Project on Arbor Avenue (CIP 71112). A Notice of Exemption was issued on October 16, 2020, for the Temporary Emergency Housing site at 500 Arbor Avenue in accordance with Government Code sections 65660-65662 for Low Barrier Navigation Centers and Section 15269(c) of the CEQA Guidelines (14 Cal. Code Regs. 15269(c)) for (Emergency Projects.) No environmental impacts beyond those already analyzed for the CIP exist; accordingly, no further CEQA analysis is needed.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution approving a two-year general services agreement with Stockton Petroleum Company, Inc., in a not to exceed amount of \$500,000, for on-demand mobile fueling of diesel fuel at 370 W. Arbor Avenue, Tracy, CA 95304.

Prepared by: Virginia Carney, Homeless Services Manager
Reviewed by: Adriana Castaneda, Director of Mobility of Housing
Reviewed by: Karin Schnaider, Assistant City Manager
Reviewed by: Bijal Patel, City Attorney
Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENTS

Attachment A – General Services Agreement

**CITY OF TRACY
GENERAL SERVICES AGREEMENT WITH
STOCKTON PETROLEUM CO., INC.**

This General Services Agreement (**Agreement**) is entered into between the City of Tracy, a municipal corporation (**City**), and Stockton Petroleum Co., Inc (**Contractor**). City and Contractor are referred to individually as “Party” and collectively as “Parties.”

Recitals

- A.** City desires to retain Contractor to provide diesel fuel at 370 W. Arbor Road, Tracy, CA 95376 for four generators with an estimated capacity of 400 gallons each with two active at all items and an additional two backups. This location is considered an on-demand mobile fueling operation; and
- B.** On February 23, 2023, the City issued a Request for Proposals (RFP) for a fuel supplier to provide on-demand mobile fueling of diesel fuel at 370 W. Arbor Rd, Tracy, CA 95376 (**Project**). On March 9, 2023, Contractor submitted its proposal for the Project to the City. City has determined that Contractor possesses the skills, experience and certification required to provide the services.
- C.** After negotiations between the City and Contractor, the Parties have reached an agreement for the performance of services in accordance with the terms set forth in this Agreement.
- D.** This Agreement is being executed pursuant to Resolution No. 2023-2025 approved by Tracy City Council on February 23, 2023.

Now therefore, the Parties mutually agree as follows:

- 1. Scope of Work.** Contractor shall perform the services described in Exhibit “A” attached and incorporated by reference. The services shall be performed by, or under the direct supervision of, Contractor’s Authorized Representative: Lori M. Toccoli, President. Contractor shall not replace its Authorized Representative, nor shall Contractor replace any of the personnel listed in Exhibit “A,” nor shall Contractor use or replace any subcontractors or subconsultants, without City’s prior written consent. A failure to obtain the City’s prior written consent for any change or replacement in personnel or subcontractor may result in the termination of this Agreement.
- 2. Time of Performance.** Time is of the essence in the performance of services under this Agreement and the timing requirements set forth shall be strictly adhered to unless otherwise modified in writing in accordance with this Agreement. Contractor shall begin performance, and shall complete all required services no later than the dates set forth in Exhibit “A.” Any services for which times for performance are not specified in this Agreement shall be started and completed by Contractor in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the Contractor. Contractor shall submit all requests for time extensions to the City in writing no later than ten days after the start of the condition which purportedly caused the delay, and not later than the date on which performance is due. City shall grant or deny such requests at its sole discretion.

2.1 Term. The term of this Agreement shall begin on July 1, 2023 and end on July 1, 2025, unless terminated in accordance with Section 6. This Agreement may be extended if the City determines that the Contractor has satisfactorily performed all the requirements of this agreement, and per recommendation from the Director of Operations & Utilities to the City Manager, the City Manager may extend the Agreement for an additional four (4) years in any combination not to exceed a total agreement of six (6) years. If all extensions are applied, the ending date of the Agreement will be March 30, 2029.

3. Compensation. City shall pay Contractor on a time and expense basis, at the billing rates set forth in Exhibit “B,” attached and incorporated by reference for services performed under this Agreement.

3.1 Not to Exceed Amount. Contractor’s total compensation under this Agreement shall not exceed \$250,000. Contractor’s billing rates shall cover all costs and expenses for Contractor’s performance of this Agreement. No work shall be performed by Contractor in excess of the total compensation amount provided in this section without the City’s prior written approval.

3.2 Invoices. Contractor shall submit monthly invoices to the City that describe the services performed, including times, dates, and names of persons performing the services.

3.2.1. Contractor’s failure to submit invoices in accordance with these requirements may result in the City rejecting said invoices and thereby delaying payment to Contractor.

3.3 Payment. Within 30 days after the City’s receipt of invoice, City shall make payment to the Contractor based upon the services described on the invoice and approved by the City.

4. Indemnification. Contractor shall, to the fullest extent permitted by law, indemnify, defend (with independent counsel approved by the City), and hold harmless the City from and against any claims arising out of Contractor’s performance or failure to comply with obligations under this Agreement, except to the extent caused by the sole, active negligence or willful misconduct of the City.

In this section, “City” means the City, its officials, officers, agents, employees and volunteers; “Contractor” means the Contractor, its employees, agents and subcontractors; “Claims” includes claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all related costs and expenses) and any allegations of these; and “Arising out of” includes “pertaining to” and “relating to”.

The provisions of this section survive completion of the services or the termination of this Agreement, and are not limited by the provisions of Section 5 relating to insurance.

5. Insurance. Contractor shall, throughout the duration of this Agreement, maintain insurance to cover Contractor, its agents, representatives, and employees in connection with the performance of services under this Agreement at the minimum levels set forth herein.

5.1 Commercial General Liability (with coverage at least as broad as ISO form CG 00 01 01 96) “per occurrence” coverage shall be maintained in an amount not less than \$4,000,000 general aggregate and \$2,000,000 per occurrence for general liability, bodily injury, personal injury, and property damage.

5.2 Automobile Liability (with coverage at least as broad as ISO form CA 00 01 07 97, for “any auto”) “claims made” coverage shall be maintained in an amount not less than \$1,000,000 per accident for bodily injury and property damage.

5.3 Workers' Compensation coverage shall be maintained as required by the State of California.

5.4 Professional Liability "claims made" coverage shall be maintained to cover damages that may be the result of errors, omissions, or negligent acts of Contractor in an amount not less than \$1,000,000 per claim.

5.5 Endorsements. Contractor shall obtain endorsements to the automobile and commercial general liability insurance policies with the following provisions:

5.5.1 The City (including its elected officials, officers, employees, agents, and volunteers) shall be named as an additional "insured."

5.5.2 For any claims related to this Agreement, Contractor's coverage shall be primary insurance with respect to the City. Any insurance maintained by the City shall be excess of the Contractor's insurance and shall not contribute with it.

5.6 Notice of Cancellation. Contractor shall notify the City if the policy is canceled before the expiration date. For the purpose of this notice requirement, any material change in the policy prior to the expiration shall be considered a cancellation. Contractor shall immediately obtain a replacement policy.

5.7 Authorized Insurers. All insurance companies providing coverage to Contractor shall be insurance organizations authorized by the Insurance Commissioner of the State of California to transact the business of insurance in the State of California.

5.8 Insurance Certificate. Contractor shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance and endorsements, in a form satisfactory to the City, before the City signs this Agreement.

5.9 Substitute Certificates. Contractor shall provide a substitute certificate of insurance no later than 30 days prior to the policy expiration date of any insurance policy required by this Agreement.

5.10 Contractor's Obligation. Maintenance of insurance by the Contractor as specified in this Agreement shall in no way be interpreted as relieving the Contractor of any responsibility whatsoever (including indemnity obligations under this Agreement), and the Contractor may carry, at its own expense, such additional insurance as it deems necessary. Failure to provide or maintain any insurance policies or endorsements required herein may result in the City terminating this Agreement.

6. Termination. The City may terminate this Agreement by giving ten days' written notice to Contractor. Upon termination, Contractor shall give the City all original documents, including preliminary drafts and supporting documents, prepared by Contractor for this Agreement. The City shall pay Contractor for all services satisfactorily performed in accordance with this Agreement, up to the date notice is given.

7. Dispute Resolution. If any dispute arises between the City and Contractor that cannot be settled after engaging in good faith negotiations, City and Contractor agree to resolve the dispute in accordance with the following:

7.1 Each Party shall designate a senior management or executive level representative to negotiate the dispute;

7.2 The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

7.3 If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiations between legal counsel. If the aforementioned process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

7.4 The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty

(30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

7.5 The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.

7.6 The dispute resolution process is a material condition to this Agreement and must be exhausted prior to either Party initiating legal action. This dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 et seq.

8 Labor Code Compliance. Contractor is aware of the requirements of Chapter 1 of Part 7 of Division 2 of the California Labor Code and applicable regulations which require the payment of prevailing wage rates (§1771, §1774, and §1775); employment of apprentices (§1777.5), certified payroll records (§1776), hours of labor (§1813 and §1815), debarment of contractors and subcontractors (§1777.1) and the performance of other requirements on “public works” and “maintenance” projects. The services being performed under this Agreement are part of a “public works” or “maintenance” project, as defined in the Prevailing Wage Laws, Contractor agrees to fully comply with such Prevailing Wage Laws.

8.1 Rates. These prevailing wage rates are on file with the City and are available online at <http://www.dir.ca.gov/DLSR>. Each Contractor and Subcontractor must pay no less than the specified rates to all workers employed to perform the services described herein. The schedule of per diem wages is based upon a working day of eight hours. The rate for holiday and overtime work must be at least time and one-half. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the City harmless from any and all claims made by the State of California, the Department of Industrial Relations, any subcontractor, any worker, or any other third party.

8.2 Registration with DIR. Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform the services consistent with Labor Code section 1725.5.

8.3 Monitoring. This Agreement will be subject to compliance monitoring and enforcement by the DIR, under Labor Code section 1771.4.

9. Ownership of Work. All original documents prepared by Contractor for this Agreement, whether complete or in progress, are the property of the City, and shall be given to the City at the completion of Contractor’s services, or upon demand from the City. No such documents shall be revealed or made available by Contractor to any third party without the City’s prior written consent.

10. Independent Contractor Status. Contractor is an independent contractor and is solely responsible for the acts of its employees or agents, including any negligent acts or omissions. Contractor is not City’s employee and Contractor shall have no authority, express or implied, to act on behalf of the City as an agent, or to bind the City to any obligation, unless the City provides prior written authorization. Contractor is free to work for other entities while under contract with the City. Contractor, and its agents or employees, are not entitled to City benefits.

11. Conflicts of Interest. Contractor (including its employees, agents, and subcontractors) shall not maintain or acquire any direct or indirect interest that conflicts with the performance of this Agreement. If Contractor maintains or acquires such a conflicting interest, the City may terminate any contract (including this Agreement) involving Contractor’s conflicting interest.

12. Rebates, Kickbacks, or Other Unlawful Consideration. Contractor warrants that this Agreement was not obtained or secured through rebates, kickbacks, or other unlawful

consideration either promised or paid to any City official or employee. For breach of this warranty, City shall have the right, in its sole discretion, to terminate this Agreement without liability; to pay only for the value of the work actually performed; or to deduct from the contract price; or otherwise recover the full amount of such rebate, kickback, or other unlawful consideration.

13. Notices. All notices, demands, or other communications which this Agreement contemplates or authorizes shall be in writing and shall be personally delivered or mailed to the other party to the addresses listed below. Communications shall be deemed to have been given and received on the first to occur of: (1) actual receipt at the address designated below, or (2) three working days after the deposit in the United States Mail of registered or certified mail, sent to the address designated below.

To City:
Operations and Utilities Department
Attn: James Jackson
520 N. Tracy Blvd.
Tracy, CA 95376

To Contractor:
Stockton Petroleum Co., Inc.
Attn: Lori M. Toccoli
1905 Navy Drive
Stockton, CA 95206

With a copy to:
City Attorney
333 Civic Center Plaza
Tracy, CA 95376

14. Miscellaneous.

14.1 Standard of Care. Unless otherwise specified in this Agreement, the standard of care applicable to Contractor's services will be the degree of skill and diligence ordinarily used by reputable professionals performing in the same or similar time and locality, and under the same or similar circumstances.

14.2 Amendments. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by both Parties.

14.3 Waivers. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

14.4 Assignment and Delegation. Contractor may not assign, transfer or delegate this Agreement or any portion of it without the City's written consent. Any attempt to do so will be void. City's consent to one assignment shall not be deemed to be a consent to any subsequent assignment.

14.5 Jurisdiction and Venue. The interpretation, validity, and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of San Joaquin.

14.6 Compliance with the Law. Contractor shall comply with all applicable local, state, and federal laws, whether or not those laws are expressly stated in this Agreement.

14.6.1 Hazardous Materials. Contractor is responsible for all costs of clean up and/or removal of hazardous and toxic substances spilled as a result of performing their services.

14.6.2 Non-discrimination. Contractor represents and warrants that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion,

color, national origin, handicap, ancestry, sex or age. Contractor shall also comply with all applicable anti-discrimination federal and state laws, including but not limited to, the California Fair Employment and Housing Act (Gov. Code 12990 (a-f) et seq.).

14.7 Business Entity Status. Contractor is responsible for filing all required documents and/or forms with the California Secretary of State and meeting all requirements of the Franchise Tax Board, to the extent such requirements apply to Contractor. By entering into this Agreement, Contractor represents that it is not a suspended corporation. If Contractor is a suspended corporation at the time it enters this Agreement, City may take steps to have this Agreement declared voidable.

14.8 Business License. Before the City signs this Agreement, Contractor shall obtain a City of Tracy Business License. Contractor shall maintain an active City of Tracy Business License during the term of this Agreement.

14.9 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

14.10 Construction of Agreement. Each Party hereto has had an equivalent opportunity to participate in the drafting of this Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting Party shall not apply hereto.

14.11 Severability. If a term of this Agreement is held invalid by a court of competent jurisdiction, the Agreement shall be construed as not containing that term, and the remainder of this Agreement shall remain in effect.

14.12 Controlling Provisions. In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Contractor's proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Contractor's proposal (if any), the Exhibits shall control.

14.13 Entire Agreement. This Agreement and the attached Exhibits comprise the entire integrated understanding between the Parties concerning the services to be performed. This Agreement supersedes all prior negotiations, representations or agreements. All exhibits attached hereto are incorporated by reference herein.

15. Signatures. The individuals executing this Agreement on behalf of Contractor represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of Contractor.

[SIGNATURES ON FOLLOWING PAGE]

The Parties agree to the full performance of the terms set forth here.

City of Tracy

Stockton Petroleum Co., Inc.

By: Midori Lichtwardt
Title: Interim City Manager
Date:

By: Lori M. Toccoli
Title: President
Date:

Federal Employer Tax ID No. 68-0099689

Attest:

Adrienne Richardson, City Clerk

By: Mark Lill
Title: Secretary
Date: _____

Approved as to form:

Bijal M. Patel, City Attorney

Exhibits:

- A Scope of Work, including personnel and time of performance (See Agreement sections 1 and 2.)
- B Compensation (See Agreement section 3.)

EXHIBIT A - Scope of Work

DIESEL FUEL SUPPLIER FOR TEMPORARY EMERGENCY SHELTER

1. OVERVIEW:

The Contractor shall have a diesel fuel supply agreement which shall assure the continuous supply of diesel fuel during the Agreement period. Bidder may be required to furnish information supporting their ability to supply, without major interruption, the products covered in this Scop of Services.

2. DELIVERY REQUIREMENTS:

- 2.1. Product shall be delivered as ordered by Director of Operations & Utilities or their designee.
- 2.2. The City reserves the right to add or remove delivery locations as required by its operations. Contractor shall not charge a zone price differential for delivery.
- 2.3. If an order is placed for a truck and trailer quantity to be delivered the Contractor elects to make that delivery in a vehicle of lesser capacity, the Contractor shall not charge more than the truck and trailer prices.
- 2.4. All deliveries shall be made in a metered truck or temperature correction adjustments to 60° F shall be made.
- 2.5. All deliveries shall be Free On Board (FOB) destination to delivery locations as required. No Delivery charges shall be made.
- 2.6. All deliveries shall be made within 24-36 hours after order has been placed. Orders shall be placed by authorized e-mail or phone. If a phone order is placed, a follow-up email will be sent to Contractors' Authorized Representative.

3. DELIVERY LOCATION & TIMES:

3.1. Location:

City of Tracy Temporary Emergency Shelter
370 W Arbor Rd
Tracy, CA 95376

3.2. Times:

Fuel shall be delivered to the site Monday through Friday, between 7 AM to 4 PM of each month. The City reserves the right to place additional orders for fuel delivery at any time.

The City may require periodic fuel delivery at other locations that are to be determined as necessary.

4. FUEL:

4.1. Quantity:

There shall be no guarantee as to actual quantities required during the period of the Agreement. The City's annual diesel fuel usage is estimated to be 48,000 gallons.

4.2. Quality:

Diesel fuel shall be Dyed CARB Ultra Low Sulfur Diesel, if unavailable, CARB Ultra Low Sulfur Diesel No. 2, and then Renewable (R99) CARB Ultra Low Sulfur Diesel No. 2 is acceptable and shall comply with all CARB requirements. It shall meet or exceed the requirements of the latest edition of ASTM D975 and shall meet the sulfur content and the aromatic content in California Code of Regulation, Title 13, section 2281 and section 2282. Renewable diesel should be treated the same as conventional CARB diesel for all purposes, including storage in underground storage tanks (USTs).

Contractor shall be liable for any and all damages to facilities (including tank, fuel lines, pumps, and dispensers), vehicles, and fuel in storage, which may occur as the result of contaminated fuel or fuel not in compliance with specification.

4.3. Fuel Spills

Contractor shall be responsible for any damage or violations of law caused by any fuel spill during the delivery process. Drivers are to report any spill and the Contractor shall pay CITY for any costs incurred in the cleanup of any spill.

5. PRICE VERIFICATION:

During the Agreement period, the Contractor will be required to provide price verification. This may be supplied in the form of rack prices in effect at time of delivery and/or copy of Contractor's Rack Supplier invoices that show prices paid for product delivered. The Contractor agrees to make available at their office, at reasonable times during the period of the Agreement, any of the above records for inspection or audit by an authorized representative of the City.

6. SUBCONTRACTORS:

Contractor shall not use subcontractors without the prior written approval of the City. Any contract resulting from this bid and any amendments or supplements thereto shall not be assignable by the Contractor either voluntarily or by operation of law without the written approval of the City and shall not become an asset in any bankruptcy receivership or guardianship proceeding. Such contract shall extend to and be binding upon and insure to the benefits of the heirs, executors, administrators, successors, and assign of the respective parties hereto.

7. PERMITS:

Contractor is required to obtain all applicable Federal, State and local permits include but not limited to an On-Demand Mobile Fueling Operation.

EXHIBIT B - Compensation

SCHEDULE OF PRICES

Based on Oil Price Information Service (OPIS) Stockton Daily Rack Average

****Bid evaluated on lowest markup***

Dyed CARB Ultra Low Sulfur Diesel

Sample Date	OPIS Stockton Daily Rack Rate	Markup* (Cents per Gallon)	Total Price Per Gallon
1/30/2023	3.7109	1.59	5.3009
2/15/2023	3.4556	1.59	5.0456

CARB Ultra Low Sulfur Diesel

Sample Date	OPIS Stockton Daily Rack Rate	Markup* (Cents per Gallon)	Total Price Per Gallon
1/30/2023	3.7029	1.59	5.2929
2/15/2023	3.4439	1.59	5.0339

RENEWABLE DIESEL (HDRD)

Sample Date	OPIS Stockton Daily Rack Rate	Markup* (Cents per Gallon)	Total Price Per Gallon
1/30/2023	3.7025	1.59	5.2925
2/15/2023	3.4991	1.59	5.0891

CONTRACTORS QUALIFICATIONS

CONTRACTORS EXPERIENCE

The Contractors experience in work of a nature similar to that covered in this Proposal extends over a period of 50 years.

The Contractor has never failed to satisfactorily complete a contract awarded except as follows:(List all exceptions and reasons).

 None

FINANCIAL REFERENCES

Reference is hereby made to the following bank or banks as to the financial responsibility and general reliability of the Contractor:

NAME OF BANK/ADDRESS

NAME OF BANK/ADDRESS

United Business Bank

22 W. Yokuts Avenue

Stockton, CA 95207

LIST OF SUBCONTRACTORS

NAME	ADDRESS
Diesel Direct West	3861 Duck Creek, Stockton, CA 95215
Williams Tank Lines	1477 Tillie Lewis Drive, Stockton, CA 95206

Agenda Item 3.D

RECOMMENDATION

Staff recommends that the Tracy Homelessness Advisory Committee (THAC) discuss and provide direction regarding Phase 4 – Custom Containers at the Emergency Homeless Shelter.

EXECUTIVE SUMMARY

Staff is requesting that the Tracy Homelessness Advisory Committee (THAC) discuss the current status of Phase 4 – Custom Containers at the Emergency Homeless Shelter (Arbor Avenue) and provide direction related to this phase of the project.

BACKGROUND AND LEGISLATIVE HISTORY

Given the complexity and magnitude of the homelessness crisis, further exacerbated by the COVID-19 pandemic, supply chain constraints, and the limited supply of affordable permanent housing options not only in the City, but throughout San Joaquin County, there is a significant and immediate need for interim housing solutions in the City, including interim emergency housing. Concerns about the public health, safety, and welfare of unsheltered individuals grows as the months progress without options to shelter the unhoused.

On March 10, 2020, the City Council declared a shelter crisis through the adoption of Resolution No. 2020-052. On September 1, 2020, Council authorized the creation of a Capital Improvement Project (CIP) for the Temporary Emergency Housing Project on Arbor Avenue, CIP 71112 (Facility), to create a safe and dignified facility for residents experiencing homelessness. Phase 1 of the project, which included demolition of an existing structure, installation of underground utilities and grading, began earlier this year and has been completed. Phase 2, which is to include the construction of above ground structures, fencing, and sidewalks was to begin this summer. Only one bid was received, and the bid was deemed non-responsive because the required federal compliance forms were not included in the bid packet. The bid also significantly exceeded the engineers' estimate. On August 16, 2022, staff recommended that City Council reject the single bid received for the Temporary Emergency Housing Project on Arbor Avenue, Site Improvements Construction Package 2, CIP 71112, and authorize staff to re-advertise the project and rebid of the project. As this created a delay, on August 16, 2022, the City Council adopted Resolution No. 2022-121 (Resolution), which reaffirmed an emergency shelter crisis as the City of Tracy continues to experience an increasing number of unsheltered individuals. Due to the declaration of an emergency, the Resolution authorized the City Manager to take requisite actions needed to expeditiously provide interim housing solutions. The Resolution also dispensed the procurement requirements for professional services pursuant to Tracy Municipal Code Section 2.20.140(b)(6).

Since August 2022, staff has presented to City Council various staff reports to ratify expenses related to the interim emergency solution, also known as Phase 3 (Modulars), and Phase 4 (Custom Containers) purchased under Resolution No. 2022-121 from CC915, Inc., dba Custom Containers 915 (CC915). As of December 29, 2022, eight (8) custom containers were delivered to the Arbor Avenue site. During this period, extreme unforeseen weather conditions were experienced in northern California with massive and extensive rain over several weeks. A

completed punch list detailing various deficiencies were identified by staff and provided to CC915 on January 4, 2023. As a result of the severity of the noted deficiencies with the CC915's custom containers (Phase 4), staff has been unable to accept and issue certificates of occupancy of Phase 4.

Staff has spent several months working with the vendor, CC915, on the outstanding punch list to complete the repairs. The City has been unable to complete connection to power, utilities, and fire protection until the punch list items are completed by CC915. While the vendor has stated both verbally and through emails that they intend to make the City "whole" and provide adequate shelter facilities with their product, staff has increased concern about meeting the deadlines for the grant funding for this project. For example, staff has noted during the weekly memos to the City Council that CC915 has failed to be on site for several weeks. On May 1, 2023, the City proceeded with protecting the unsecured custom containers from further rain damage after CC915 removed all doors and door frames on the containers and failed to come back and secure them even after being notified of the weather.

The City was awarded a \$1.2 Million grant from Health Plan of San Joaquin (HPSJ) for the purchase and installation of custom containers. A requirement for the HPSJ funding is for the City to have 38 beds in-service by June 30, 2023. However, due to the delays experienced with CC915 inability to complete the provided punch-list, in good-faith, the requested an extension from HPSJ for the 38 beds in-service requirement. The City received the one-time final extension from HPSJ to allow the City to extend the additional 38 beds in-service by October 31, 2023. In conversation with HPSJ, "in service" refers to the date that the units/custom containers are available to receive and be occupied by an individual for shelter. Based on CC915's inability to complete repairs on-time, the inadequacy of repairs to date, their continued lack of presence at the Arbor Avenue site, unresponsiveness to an emergency and missing their own set deadlines, staff has no confidence in CC915 completing the punch list.

ANALYSIS

At the May 18, 2023, THAC meeting, staff presented an alternative to CC915 with a proposal to use Linked Equipment (see attachment A for May 18, 2023 THAC staff report) to purchase replacement containers. The Committee rejected the proposal and directed staff to conduct research on additional options including, tiny homes, modulars, containers, safe parking, and safe camping. The Committee also requested some historical accounts of the vendor selection process for CC915 and various attempts to reconcile with CC915 before the May 18, 2023 recommendation to abandon the CC 915 custom containers and select a new vendor and product to provide the 38 housing units. Attached is a matrix related to the research requested by the Committee.

During the last month, CC915 resumed discussions with City staff on outstanding concerns related to the corrections requested in the punch list previously provided. CC915 contractor met City staff on site on June 8, 2023 and CC915 agreed verbally to the required approach to cure the deficiencies identified and to properly secure the containers from further water intrusion. On June 12, 2023, CC915 contractor returned to the Shelter site to walk through with trades needed to address the punch list. City staff attended the walk through. As of the printing of this agenda, CC915 could not provide a verbal or written statement commitment to the repairs. It is uncertain what repairs will be made to the containers and what the timeline CC915 can commit. However, staff has future calls scheduled with CC915 and desires to find a cure for the custom containers. Staff is cautiously optimistic that CC915 can cure the deficiencies at this time.

ALTERNATIVES

The City pursued Phase 4 – Custom Containers as part of the Interim Solution for the Shelter Emergency. Since that time, the City has successfully managed Phase 3 – Modularity that houses approximately 42 individuals. The City has applied for multiple grants along the way. Some grants fund portions of the Phase 3 and Phase 4 costs for purchases and construction. In addition, the City has been working with Federal and County partners to fund the construction of the original plan, the Sprung Structure, that will house approximately 68 individuals.

Given that CC915 has not committed to a plan to repair the containers, the Committee may choose to select a different vendor to supply the Emergency housing solutions for the 38 beds on Phase 4. Staff has vetted Linked Equipment as an alternative to CC915. Under this alternative, the payments to CC915 would be lost and may also jeopardize any recourse the City has on these funds. This loss is approximately \$590,000. The anticipated cost for the new custom containers is approximately \$716,320, which includes fabrication of the units, and 10% contingency.

Under either option (staying the course with CC915 or selecting Linked Equipment), the City has additional improvements to the site to complete Phase 4 – Custom Containers. The City has two vendors (Agenda Item 3.E.) for fire safety improvements that would be needed. In addition, either CC915 containers or Linked Equipment would need electrical connections and other underground utilities connected to containers (Agenda 3.F. and a prior approved contract with Tonnysen Electric for \$275,000). These costs were considered in the grant awarded by Health Plan of San Joaquin for \$1.2 million.

A third alternative for the Committee to discuss would be to stop all activity related to Phase 4 – Custom Containers. This would require the City to return the \$1.2 million grant for these improvements. Similarly, the City would lose the \$590,000 payments to CC915. The additional construction work would not be incurred and the contracts would be rejected.

Staff recommends that the City continue working with CC915 to find resolutions to deficiencies identified and strive to meet the HPSJ grant deadline of October 31, 2023.

FISCAL IMPACT

The City secured a grant of \$1.2 Million from HPSJ for the costs of the custom containers and interim site expenses related to Phase 3 and Phase 4. In addition, the City has applied for additional grants to support the costs associated with the fuel (generators) for Phase 3 and Phase 4. To date, the City has paid CC915 90% of the contract costs, \$590,000 funded from these HPSJ. However, a condition of the grant is that the City provide the additional 38 beds serviced by the custom containers. There is a deadline of October 31, 2023 for the 38 additional beds.

CEQA DETERMINATION

This item is a discussion item only and no binding action will be taken by the Committee. Further, Government Code section 8698.4 exempts the application of the California Environmental Quality Act (CEQA) to various actions taken by public agencies to implement the construction of a homeless shelter in response to a declared shelter crisis. In addition, the interim solutions taken thus far are in furtherance of and related to the permanent solution that will be implemented, referred to as the Temporary Emergency Housing Project on Arbor Avenue

(CIP 71112). A Notice of Exemption was issued on October 16, 2020, for the Temporary Emergency Housing site at 500 Arbor Avenue in accordance with Government Code sections 65660-65662 for Low Barrier navigation Centers and Section 15269(c) of the CEQA Guidelines (14 Cal. Code Regs. 15269(c) for (Emergency Projects). No environmental impacts beyond those already analyzed for the CIP exist; accordingly, no further CEQA analysis is needed.

STRATEGIC PLAN

This agenda item supports the Public Safety Strategic Priority, *Implement the adopted Homelessness Strategic Plan*.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the Tracy Homelessness Advisory Committee (THAC) discuss and provide direction regarding Phase 4 – Custom Containers at the Emergency Homeless Shelter.

Prepared by: Karin Schnaider, Assistant City Manager
Reviewed by: Adriana Castaneda, Director of Mobility and Housing
Reviewed by: Bijal Patel, City Attorney
Approved by: Midori Lichtwardt, Interim City Manager

ATTACHMENT A – Responses to the Tracy Homelessness Advisory Committee from May 18, 2023

ATTACHMENT B - Alternative Options Matrix

ATTACHMENT C - Staff Report Procurement Agreement Linked Equipment

**Responses to the Tracy Homelessness Advisory Committee (THAC)
from May 18, 2023**

Please note that the responses below include clarity to responses provided during the THAC meeting held on May 18, 2023, as well as responses to the unanswered questions.

- 3.A The Tracy Homelessness Advisory Committee receive an informational report regarding the implementation of the City Council Strategic Plan to End and Prevent Homelessness and the most recent Emergency Interim Shelter activities.

Vice Chair Bedolla

1. What options do shelter residents have when transitioning out of the shelter?

Response: The available options depend on a case-by-case basis individual client case (depending on their circumstances). This is an area where case management works with the client to assess the individual's needs and to develop a transition plan. This plan could range from family reunification, transitional living, housing voucher, substance use/mental health treatment facility or shared housing.

2. What are our plans right now for permanent supportive housing for shelter residents? (Motel/Hotel conversations)

Response: Through the State's Project HomeKey, a local government agency may be eligible for funds to purchase and rehabilitate an existing building including hotels, motels, vacant apartment buildings, and other properties to convert them into permanent long-term housing for people experiencing or at-risk of being homeless. Additionally, a partnership is required with a non-profit or for-profit corporation.

3. Any sources of funds committee staff should be concerned about? (Referring to page 12 of budget).

Response: The City continues to work with San Joaquin County for funding the gap of approximately \$4 Million for the shelter construction of the sprung structure and site improvements (known as Phase 2). During the week of May 15, the City Manager was informed that the County withdrew their funding support until further discussions could take place. In addition, the City has a grant of \$1.2 Million from Health Plan of San Joaquin (HPSJ) that is contingent upon the addition of 38 beds at the shelter site. These beds were expected to come from Phase 4 through the custom containers; however, the custom containers from CC915 are unusable in their current state. An extension was offered to the City to have the beds in place by 10/31/2023. The City is discussing alternatives with the Committee.

4. Are the HPSJ funds used/allotted for custom containers only? Current CC915? Future containers, part of the 1.2 Million or other purposes?

Response: Funds have been used to pay for one year of the lease for the modulares, fuel costs, beds, and fences. HPSJ funds are also tied to the 38 beds that need to be in service by October 31, 2023.

5. What is the documentation process when interacting with shelter clients? How are improvements and deficiencies of providers documented?

Response: All client information is entered into Homeless Management Information System (HMIS), which is conducted upon entry into the shelter. City staff meets with City Operators weekly to discuss potential concerns/findings resulting in a required action.

6. Can we use existing contracts to focus or use their expertise to get projects like the containers running? Contract a Project Manager?

Response: The City evaluated using a Project Manager in December 2022 and received a quote for services to manage the larger construction project of Phase 2. However, due to funding shortfalls already present, the project did not move forward and was rebid to reduce costs. The available funding may not be sufficient to hire a Project Manager. Also, current vendors and consultants can be contacted to provide additional support, but to contract would mean additional money that has not been allocated.

Chair Davis

1. Are their still bids out to work on the containers?

Response: The City currently has the following three active construction bid packages (not yet awarded):

- Equipment & Installation of permanent power to the North side (future improvement area).
 - Bid Opened: May 17, 2023.
- Equipment & Installation of permanent power to the South side (to the 5 current active modulars and 8 containers).
 - Bid Opened: May 25, 2023.
- Sewer Lift Station & Holding Tank.
 - Bid Opened: May 25, 2023.

Bids for the infrastructure needed for the containers have been received from the two contractors who are under contract with the City to complete the needed water, fire systems conduits, sprinkler system connections, and electrical work.

2. Clarity needed on agenda items due to one item indicates the approval of the new containers and the other item indicates bids are still being conducted

Response: A sole source vendor has been contacted to make sure containers can be completed by deadline but pending approval of request to purchase new containers.

3. What about the existing containers?

Response: There are three pathways: Pathway 1-Legal route due to unit conditions once received (lengthy process), Pathways 2-Rehab current units which is an exorbitant cost and Pathway 3 is to purchase new units.

4. What steps were taken prior to ghosted behavior?

Response: Communication with CC915 dba Custom Containers 915 is intermittent.

5. Why was 90% paid when containers are uninhabitable?

Response: Per the Purchase Agreement for Goods with CC915 executed on October 19, 2022, under Resolution No. 2022-121, under Section 3. Purchase Price. City shall pay Vendor according to the payment schedule outline in Exhibit A, as follows:

Payment Schedule below, pursuant to agreement stipulations:

- 50% due upon execution of agreement (\$328,000)
- 40% due upon off-load (\$32,800 per container – total: \$262,400)
- 10% due upon final inspection of all containers (\$65,600)

6. Any legal action would require time, how much does it cost to rehab units through a different provider?

Response: Based on the Critical Path Analysis the estimated cost to rehab the existing units is approximately \$900,000.

7. How many vendors have been spoken to in regard to rehabbing current containers?

Response: One (1) General Contractor, informally due to time constraints, to provide their opinion of probable costs.

8. What are the options with the current containers and options need to be given of what can be done to recoup lost funds?

Response: Based on the Critical Path Analysis, the options for current custom containers are to rehab them, legal pathway, and/or dispose of them. City Attorney's Office (CAO) has shared the potential to recover costs may prove difficult. Proposed options to repurpose the eight (8) custom containers include to utilize the material from one of the units to reconfigure the remaining seven (7) custom containers, to use them as storage units for the sports complex, or disposal may include relocating the custom containers for storage.

9. How was CC915 vetted?

Response: CC915 was selected through *Modular Building Institute*, along with other potential vendors. This is a platform for reputable vendors in the **modular** business space. Several vendors were called and two other contracts with other vendors were drafted. The City pursued Pallet for portable units, QuickHaven for Tiny Homes, and CC915 for containers. The City identified CC915 based on meeting timeline and pricing availability. In addition, CC915 were able to meet the requirements by the City during the process, including the City's warranty clause pursuant to City's template for a Purchase Agreement for Goods. The other two vendors were only able to provide 25 units at a similar price where CC915 was able to produce 39.

10. Why was an out of state vendor used versus a local vendor and/or a vendor within California?

Response: CC915 was selected through *Modular Building Institute*, along with other potential vendors. This is a platform for reputable vendors in the **modular** business space. Several vendors were called and two other contracts with other vendors were drafted. The City pursued Pallet for portable units, QuickHaven for Tiny Homes, and CC915 for containers. The City identified CC915 based on meeting timeline and pricing availability. In addition, CC915 were able to meet the requirements by the City during the process, including the City's warranty clause pursuant to City's template for a Purchase Agreement

for Goods. The other two vendors were only able to provide 25 units at a similar price where CC915 was able to produce 39.

11. At the time the containers from CC915 were purchased did they meet CA code or Texas code?

Response: Upon the delivery of the custom containers, the custom containers did not meet California building code.

12. Who recommended CC915?

Response: CC915 was selected through *Modular Building Institute*, along with other potential vendors. This is a platform for reputable vendors in the **modular** business space. Several vendors were called and two other contracts with other vendors were drafted. The City pursued Pallet for portable units, QuickHaven for Tiny Homes, and CC915 for containers. The City identified CC915 based on meeting timeline and pricing availability. In addition, CC915 were able to meet the requirements by the City during the process, including the City's warranty clause pursuant to City's template for a Purchase Agreement for Goods. The other two vendors were only able to provide 25 units at a similar price where CC915 was able to produce 39.

All vetted information was submitted to the City Manager's Office (CMO) and a decision was made based on the vetting process stated above. In addition, research was provided by several city departments and staff. All the decisions that were made during this time were under the order of an emergency shelter crisis and the urgency to provide beds as soon as possible.

13. Who wrote the contract?

Response: The complete contract was drafted by the City Attorney's Office and forwarded to the Homeless Services Manager for review. Contracts are then vetted through proper channels (CAO and CMO). Project Manager was out on medical leave during this process and unable to review scope of work and/or specifications under exhibits.

14. Who signed off on the contract?

Response: The contract was signed off by a Deputy City Attorney in the City Attorney's Office and by the City Manager.

15. Who signed off on the payment to CC915

Response: The Payment Schedule was part of the Purchase Agreement for Goods. Processed invoices were signed off by the City Manager when the agreement was approved.

16. Were any container projects that CC915 had completed in California?

Response: Yes, modulars completed in Chico and Bay Area.

17. Were these containers new?

Response: Yes.

18. When these containers arrived, who was there to receive the containers and make sure they were what was ordered and dates of when this happened?

Response: The Construction Manager was on-site on December 22, 2022, during the first delivery of the 2 custom containers and on December 29, 2022, when the second delivery of 6 custom containers.

19. Who received them? Who from the City was there on 12/22 and 12/29 to receive the containers?

Response: Construction Manager, Mr. Ward was there on both days to receive containers. Mr. Ward indicated that CC915 specified that there were still some installations needed and pending improvements that were transit related and that the CC915 contractor would return to do the minor repairs. CC915 was on site on the 29th and 30th to turn over to inspectors. Punch list was sent out January 4, 2023, follow-up conducted without response – the previous statement is inaccurate. CC915 hired Best Electric to address punch list and work commenced on electrical issues starting Thursday, February 2, 2023. From that point on, there were several iterations of concerns expressed by our onsite inspectors. On March 21, 2023, the completion timeline was extended based on the additional concerns shared by our inspectors. This subsequently brought about an inspection process by the City. CC915 / Best Electric did not adhere to the process and CC915 became unresponsive on April 17, 2023.

20. Do you have anything that the committee can show and share with counsel reflecting that you reached out to several container companies and prices they quoted you? Was anyone \$600,000 or less or just CC915?

Response: Both previously mentioned vendors (Pallet and Quickheaven) that the City was considering were in the same price range, however, only equipped for 25 units. CC915 was providing 39 units.

21. What does it mean that CC915 offered the best? Best price? Was this decision solely based on price?

Response: Between price and timeline, most vendors could not meet timeline.

22. How big of a difference between other containers timelines?

Response: Staff will provide this information with the requested options as alternatives.

23. Asked for transparency when legal pursuit is started against CC915 and provide the date notice is given.

Response: Staff is working with the City Attorney's Office and will update as issues progress.

24. Documentation on how vendor was vetted, google reviews, yelp reviews, any clients you reached out to for feedback on work provided by vendor (locally or in Texas)?

Response: CC915 was vetted through Modular Building Institute. No google nor yelp reviews were found during the forensic process.

- 3.B The Tracy Homelessness Advisory Committee receive an informational report regarding the City's shelter operators' approved services and a financial summary of the implementation of the City Council Strategic Plan to End and Prevent Homelessness.

Vice Chair Bedolla

1. What is the typical range of administrative cost for these entities (providers) as a percentage of invoices? (10+TCCC, 14+CityNet)

Response: Usually between 10-15%.

Chair Davis

1. Provider contracts end on 10/31. What is the thought process on renewal or no renewal on the current providers?

Response: The City will follow the formal procurement process for Request for Proposals.

2. Timeline of current or new provider consideration to bring to committee/council?

Response: Will come back in June with recommendations.

3. Is public being updated on email requests if taking longer than usual?

Response: Redaction on emails, 8 outgoing and working on information Executive Assistants are aware of being able to give out partials that have already been redacted. In addition, all staff members have relinquished devices to provide any public requested information.

4. What is the total monthly cost being given out to both providers?

Response: Provider costs provided during PowerPoint presentation from Nov-Feb.

5. Explain variances between months?

Response: Variances are due to rapid start-up costs and numbers will go down as rapid startup has ended and staffing is now local.

6. Staff to address duplication of services. Are we addressing that both providers are now providing similar services? Do we really need two organizations providing the same or similar services?

Response: File audits have been conducted on both providers to verify that HMIS data is being updated and services to clients being provided is based on their manual. Results from audit are currently in the City Attorney's que for review and forms from the City of Tracy to implement with team.

Response: Initially TCCC was providing those services at intake and both TCCC, Familiar Faces and City Net have implemented case conferencing to discuss gaps in services.

7. Will a copy of the results from the audit be provided to the committee and public?

Response: Explained that audit was more of a file review and not an audit perse and the file review conducted will help in developing the criteria for the upcoming RFP for providers. Results of file review will be shared shortly.

- 3.C The Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution approving the bylaws for the Committee.

No questions on this item.

- 3.D The Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution ratifying, pursuant to Tracy Municipal Code Section 2.20.180(B)(1), various procurement contracts for goods and general services agreements executed by the City Manager to implement Emergency Interim Housing solutions for the unsheltered.

Vice Chair Bedolla

1. The purchase of fire alarms and fire sprinklers are for CC915 or new containers?

Response: Regardless of container company used fire alarms and sprinkler system would need to be installed for existing or new containers.

2. Is 3D at all related to 3H? Or this authority tied to any other declaration?

Response: This item is only related to item 3H, to rescind the resolution # 2022-121, installed on custom containers. The rescinding of this resolution will not impact anything moving forward.

Chair Davis

1. Can they defer their vote until they hear 3.E?

Response: City Attorney indicated that this okay, to hear 3.E first, before making a decision on 3.D.

- 3.E The Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution approving a procurement agreement with Linked Equipment, LLC for the purchase of eight pre-manufactured custom container structures in an amount not to exceed \$716,320 to be the installed as part of the site improvements at the Temporary Emergency Housing Project, CIP 71112, at 370 W. Arbor Avenue.

Vice Chair Bedolla

1. Price and timing aside, Why did we decide to go with a non-CA code set of containers?

Response: This company had already provided showers and restrooms. I am unsure why we went with a vendor that was not based in California and will ask project manager.

If this question is in reference is regarding Linked Equipment, their units are CA code compliant and inspected and certified by the California Department of Housing and Community Development (HCD).

2. What would it look like if we did all three options, getting the congregate shelter built, getting the new containers, and restoring and/or repurposing existing containers for a different use (storage)? Is there anything that can be done to not cut them off as a loss (existing containers)?

Response: Phase 2 and 3 would be around \$2.1 Million. What can we do with current containers? If existing containers did not have to meet code, \$2.1 Million could cover cost for phases 2 and 3 and repurposing containers.

Response: Recommended Linked Equipment's, when first developing phase 2 looking for vendors who could provide customized bathroom, shower, laundry, and mechanical rooms, contacted a number of vendors in CA and nearby states. Most vendors contacted were not able to customize containers to the criteria that the City was looking for, for example. Restroom containers that were not ADA compliant and most would not go through the process to get the HCD certification, company in Arizona has experience with HCD process and everything that they build is custom to clients' needs and that is how they decided to go with Linked Equipment's and HCD certs need to go to the State to be approved and that is why they went with Linked for bathrooms, showers, laundry, and mechanical units designed for the original project.

3. What creative ideas can staff come up with regarding repurposing existing containers?

Response: With some repairs and modifications to the existing containers, custom container units could be repurposed for on-site sports equipment or other park site storage, or pet kennels, or other types of utility rooms at locations where power is available.

4. Why did it take 4 months to now come to this decision?

Response: Also, why did it take 4-months to complete repairs / punch list? Initially CC915 gave the completion date of March 30. City inserted a new inspection date and completion date was extended to April 30. Last day CC915 was on site was April 17, 2023. Two meetings via TEAMS and conference call were held and became quite apparent that CC915 would not complete the work.

The City has been actively engaged with the CC915 to make the required correction since early January 2023.

5. Has staff thought about more modular units? Is this an option in place of the containers?

Response: No current discussion of modular units.

6. Phase 3 Modulars-Is this an option?

Response: This can be an option; this came through a recommendation that due to COVID these modular dorm units were ready to go. It takes time to find and build these types of modulars and these modulars came from St. Mary's University. Most modulars are office and not sleeping. Also, Tiny Homes (pallet homes) was an option, however, concerns with contract and that they could not satisfy the time frame they were looking for and that is why they pivoted to containers. Tiny Homes can be an option, but we need to work with the time frame that we have. Current focus is on the new containers, and we need to make a significant decision with that, but ALL options should be on the table, but the time frame is the issue.

7. If the committee does not move forward with the new containers, then what is the option?

Response: It would then have to go back to the bid process and would delay the process.

8. Have we contacted modular company recently if they have and/or can build more dorm modulars?

Response: During the time the modulares were leased the vendor indicated that at the moment they did not have any other dorm modulares. The modular vendor was contacted again this week and indicated that lead time to get new dorm units similar to the ones on site would take 6 to 8 months.

Chair Davis

1. Who would be responsible for removing the old containers?

Response: Staff will evaluate as part of the reuse of the containers.

2. Cost to remove containers?

Response: There are locations throughout the city where they can be stored but have not really discussed options of repurposing the containers. When the vendor abandoned the units, the critical analysis was created.

3. Is HPSJ willing to go a different route in regard to getting the 38 beds by 10/31 and not be containers?

Response: The funds from HPSJ are tied to the 38 beds and they need to be in service by October 31.

4. Any flexibility for those 38 beds to be part of the congregate structure instead of the containers?

Response: Funding is tied into the department of healthcare service. Providing funding for community organizations to increase respite, recoup beds and shelter beds. This funding is tied to HPSJ report to the regional state funds they have received. HPSJ is aware of the state of the containers, however, the bed capacity date is non-negotiable. Also, the sprung structure needs to go to bids and would not meet HPSJ 10/31 deadline.

5. How many rooms does each container hold?

Response: Seven (7) of the units have five (5) individual rooms, one unit has four (4) individual ADA compliant rooms.

6. What other real alternatives do we have besides the containers to meet the time constraint? Tuff Sheds, tiny homes, Volumetric here in town?

Response: Discussion with volumetrics was held, but the timeline was the issue.

On May 18, 2023, the THAC Committee re-directed staff to provide additional options besides Linked Equipment as a potential alternative vendor to complete Phase 3. Staff engaged with Volumetrics Senior Sustainability Manager and held a virtual meeting on May 23, 2023, to discuss options.

7. Are we looking at all options?

- Tiny Homes
- Modulares
- Containers
- Safe Parking
- Safe Camping

Response: On May 18, 2023, the THAC Committee re-directed staff to provide additional options besides Linked Equipment as potential alternative vendors to complete Phase 3. Staff has conducted additional research on the above five (5) alternatives and are presented under Staff Report 3. D.

8. Who is in charge of this current project? Is there a project manager?

Response: The creation of the “Interim Shelter and Transition Plan” was brought about at City Council’s request to develop a plan to address the existing shortfall of beds necessary to remove the encampments from the El Pescadero Park to relieve the families and residents impacted by the makeshift dwellings and unsanitary activities there at the park which impacted their quality of life. This request was a direct result of the rejection of the primary project to erect the Sprung Structure at the Arbor Road location.

Project Management of all CIP projects have historically originated in and been managed by the Engineering Division, of the Development Services Department. The initiation of the project to acquire the eight (8) modular units as part of the solution to removing the encampments from El Pescadero Park brought about a shift in responsibility. During the timeframe the modular units were identified in October 2022, the Director of Development Services resigned. As did the City’s Engineer. The project manager originally responsible for site development in preparation for the Sprung Structure was out on personal leave.

In this void, the City Manager assigned the Assistant City Manager the responsibility of identifying and obtaining suitable accommodations to fill the remaining thirty-eight (38) beds needed to clear El Pescadero Park. The Assistant City Manager enlisted the assistance of the Homeless Shelter Manager to identify a reputable service to identify and select a vendor who could provide the number of beds required within the timeframe necessary to meet the grant requirements. The contract was drafted, reviewed by the City Attorney’s office, and signed by a Jr. Attorney out of the City Attorney’s office and the City Manager.

Two (2) units were delivered on December 22, 2022, and the remaining six (6) units were delivered on December 29, 2022, in the midst of a severe atmospheric weather event. Upon inspection January 4, 2023, by City Inspectors, it was clear the units were not constructed in accordance with California Code. The City Inspectors developed a list of items needing to be addressed and delivered them to the Assistant City Manager.

The Assistant City Manager accompanied by the Director of the Operations and Utilities Department met with the president and logistics manager of Custom Container 915 to share the list of discrepancies and to develop a solution to address them expeditiously. From January 2023 through April 12, 2023, and after numerous exchanges between the Assistant City Manager, Director of Operations and Utilities and Customer Containers 915, the subcontractor hired by Customer Containers stopped work with no notice. Up to this point, Custom Containers 915 gave every impression of their intention to correct the deficiencies.

Upon realizing Custom Containers 915 abandonment from the project, the Assistant City Manager immediately sought counsel from the City Attorney’s office. On May 15, 2023, Custom Containers 915 contacted the Assistant City Manager and Director Jackson to share they had a list of items which had been corrected. Director Jackson forwarded this list to the City Inspectors for verification. The inspectors reported ten (10) of the twenty (20) items listed on their list had been addressed. The remaining ten (10) could not be verified as they did not have access to the storage unit on site with the units.

9. Timeline?

Response: Please find below Timeline of Events related to Purchase Agreement of Goods with CC915, if dates/events are missing, please add to the draft timeline below.

- Executed Purchase Agreement of Goods October 19, 2022
- Purchase Order October 24, 2022
- 1st Payment Approved on October 25, 2022
- Containers Delivered on December 22 and 29, 2022
- Punch list provided to CC915 January 4, 2023
- 2nd Payment Approved on January 5, 2023
- On March 21, 2023, City conveyed to CC915 condition of open containers with standing water at various locations because of rainy weather
- Revised Work Schedule from Best Electric (CC915 Contractor) received on March 24, 2023, reflecting a completion date of April 29, 2023
- CC915 last on site the week before April 17, 2023

10. Who vetted CC915?

Response: CC915 was selected through *Modular Building Institute*, a platform for reputable vendors in the **modular** business space. Several vendors were called and two other contracts with other vendors were drafted. The City pursued Pallet for portable units, QuickHaven for Tiny Homes, and CC915 for containers. The City identified CC915 based on meeting timeline and pricing availability. In addition, CC915 were able to meet the requirements by the City during the process, including the City's warranty clause pursuant to City's template for a Purchase Agreement for Goods.

11. Who received these containers?

Response: Construction Manager, Mr. Ward was there on both days to receive containers. Mr. Ward indicated that CC915 specified that there were still some installations needed and pending improvements that were transit related and that the CC915 contractor would return to do the minor repairs. CC915 was on site on the 29th and 30th to turn over to inspectors. Punch list was sent out January 4, 2023, follow-up conducted without response – the previous statement is inaccurate. CC915 hired Best Electric to address punch list and work commenced on electrical issues starting Thursday, February 2, 2023. From that point on, there were several iterations of concerns expressed by our onsite inspectors. On March 21, 2023, the completion timeline was extended based on the additional concerns shared by our inspectors. This subsequently brought about an inspection process by the City. CC915 / Best Electric did not adhere to the process and CC915 became unresponsive on April 17, 2023.

12. When were they received?

Response: Construction Manager, Mr. Ward was there on both days to receive containers. Mr. Ward indicated that CC915 specified that there were still some installations needed and pending improvements that were transit related and that the CC915 contractor would return to do the minor repairs. CC915 was on site on the 29th and 30th to turn over to inspectors. Punch list was sent out January 4, 2023, follow-up conducted without response – the previous statement is inaccurate. CC915 hired Best Electric to address punch list and work commenced on electrical

issues starting Thursday, February 2, 2023. From that point on, there were several iterations of concerns expressed by our onsite inspectors. On March 21, 2023, the completion timeline was extended based on the additional concerns shared by our inspectors. This subsequently brought about an inspection process by the City. CC915 / Best Electric did not adhere to the process and CC915 became unresponsive on April 17, 2023.

13. Who authorized the 90% of payment without having a viable product?

Response: Per the Purchase Agreement for Goods with CC915 executed on October 19, 2022, under Resolution No. 2022-121, under Section 3. Purchase Price. City shall pay Vendor according to the payment schedule outline in Exhibit A, as follows:

Payment Schedule below, pursuant to agreement stipulations

- o Payment 1: Processed by Homeless Services Manager and approved by City Manager on October 25, 2022.
- o Payment 2: Processed by Homeless Services Manager and approved by Assistant City Manager on January 5, 2023.

14. Would like to know when the company has been served and when they have been reported to Texas board of licensing and registration?

Response: Staff is working with City Attorney’s Office on responding to vendor.

15. Financing about money being spent, requesting forensic audit of the temporary emergency shelter, what is spent and all the numbers and who got paid what and when?

Response: Please refer to the detailed budget breakdown below provided by the Finance department reflecting up to date expenses for the Homeless Services Division and the CIP-TEHF as of June 1, 2023.

Homeless Services Division
Expenses paid to date as of 6/01/2023

Description	2021	2022	2023	Grand Total
Alarm Monitoring			\$ 1,758	\$ 1,758
Bunkbeds for Homeless Shelter			\$ 66,099	\$ 66,099
Custom Containers - Interim Site			\$ 646,556	\$ 646,556
Fire & Burglar Alarm Install			\$ 100,325	\$ 100,325
Generator/Fuel - Interim			\$ 655,689	\$ 655,689
Interim Site			\$ 511,826	\$ 511,826
Modulars - Interim Site			\$ 153,503	\$ 153,503
Monthly-El Pescadero Ptty			\$ 13,260	\$ 13,260
Operating Supplies	\$ 427	\$ 1,733	\$ 118,195	\$ 120,356
Personnel		\$ 14,796	\$ 222,552	\$ 237,347
Shelter Service Providers			\$ 1,146,907	\$ 1,146,907
Shelter Site - Water			\$ 27,707	\$ 27,707
Warming Center	\$ 152,666	\$ 105,946	\$ 41,109	\$ 299,721
Grand Total	\$ 153,093	\$ 122,475	\$ 3,705,486	\$ 3,981,054

Total Expensed to date :
 Homeless Division Budget \$3,981,054
 Temporary Emergency Shelter (CIP) \$5,005,378
\$8,986,432

CIP - 71112 Temporary Emergency Housing

Vendor	PO#	Amount	Expenses	Notes
United Fence Services Inc	2101538	\$ 4,200.00	\$ 4,200.00	
The KPA Group	2102079	\$ 37,730.00	\$ 37,730.00	
David W Enke, L.S.	2102295	\$ 2,000.00	\$ 2,000.00	
Stockton Environmental Inc	2102369	\$ 500.00	\$ 500.00	
The KPA Group	2102401	\$ 981,435.00	\$ 981,435.00	
Pace Supply Corporation	2102419	\$ 8,275.40	\$ 8,614.04	
David W Enke, L.S.	2200766	\$ 3,000.00	\$ 3,000.00	
Kimley Horn	2200875	\$ 73,700.00	\$ 73,700.00	
David W Enke, L.S.	2200909	\$ 2,400.00	\$ 2,400.00	
Wood Rodgers	2201288	\$ 10,940.00	\$ 7,110.00	
California Surveying	2201432	\$ 100.00	\$ 99.59	
SWRCB	2201473	\$ 756.00	\$ 756.00	
Tracy Press	2201560	\$ 720.00	\$ 720.00	
Tracy Press	2201562	\$ 396.00	\$ 396.00	
Tracy Press	2201912	\$ 103.50	\$ 103.50	
Tracy Press	2201938	\$ 103.50	\$ 103.50	
Tracy Press	2201981	\$ 468.00	\$ 468.00	
Tracy Press	2201982	\$ 468.00	\$ 468.00	
Pacific Gas & Electric Co	2202412	\$ 71,441.88	\$ 71,441.88	
Gradetech, Inc	2202437	\$ 1,072,523.17	\$ 972,523.16	
ABC Imaging of Washington Inc	2202448	\$ 810.47	\$ -	
Gradetech, Inc	2202457	\$ 2,378,480.00	\$ 2,213,132.98	
Federal Express Corporation	2202625	\$ 40.48	\$ 40.48	
Terracon Consultants Inc	2202836	\$ 628.00	\$ 628.00	
Studio Blue Reporgraphics Inc	2202847	\$ 467.46	\$ 467.46	
Terracon Consultants Inc	2300713	\$ 2,622.00	\$ 2,622.00	
Terracon Consultants Inc	2300714	\$ 1,463.00	\$ 1,463.00	
Terracon Consultants Inc	2301102	\$ 1,068.00	\$ 1,068.00	
David W Enke, L.S.	2301241	\$ 4,620.00	\$ 4,620.00	
Linked Equipment	2301494	\$ 551,887.44	\$ 365,829.39	
GateHouse Media California Holdings Inc	2301509	\$ 534.20	\$ 534.20	
The KPA Group	2301659	\$ 220,045.00	\$ 16,120.00	
Tracy Press	2301761	\$ 936.00	\$ 936.00	
Advertising			\$ 3,504.39	
David W Enke, L.S.			\$ 10,220.00	
Staff Charges			\$ 176,195.00	
Construction Materials			\$ 1,018.99	
Design Support			\$ 7,556.54	
Permits			\$ 31,653.18	
			\$ -	

\$ 5,005,378.28

		BUDGET	EXPENSES	BALANCE
ARPA	252	\$ 4,500,000	\$ 265,336	\$ 4,234,664
San Joaquin County (ARPA)	301	\$ 3,661,113	\$ 3,120,783	\$ 540,330
HHAP	261	\$ 329,240	\$ 329,240	\$ -
HHAP R2	261	\$ 414,042	\$ 414,042	\$ -
CDBG (3 Grants)	268	\$ 836,294	\$ 836,294	\$ -
Housing Asset Funds	282	\$ 690,000	\$ 39,683	\$ 650,317
Current Budget		\$ 10,430,689	\$ 5,005,378	\$ 5,425,311
			\$ -	
Harder - Federal		\$ 3,000,000		\$ 3,000,000
CDBG FY23/24		\$ 349,167		\$ 349,167
		\$ 13,779,856	\$ 5,005,378	\$ 8,774,478

Attachment B

Vendor	Price	Lead-Time	CA Building Code Requirements (Y/N)	Include Plans & Specification	Consideration of the Existing Foundations	Requires Add'l Space	38 beds in-service (by October 31, 2023)	Challenges	Contact Information
Custom Containers									
Linked Equipment, Phoenix, AZ	5 room \$75,500 ea. 4 room \$67,900 ea.	3-4 months	Yes (HCD Registration)	Yes	Yes	No	Yes	If agreement is executed as soon as possible; expecting an approval City Council date of June 20, 2023.	Mark Pike
Falcon Industries, TX	N/A	Unknown	Yes (HCD Registration)	Set floor plans only, no custom designs	Unknown	Unknown	No	No custom units	Shannon Fields
Drop box Inc, Denver CO	N/A	Unknown	Unknown	Unknown	Unknown	Unknown	No	Fixed Designs, no custom units	Shane Meadows
Conexwest, Oakland CA	N/A	Unknown	Unknown	Unknown	Unknown	Unknown	No	Unfinished containers only	Greg Minor
BOXX Modular, TX	N/A	Unknown	Unknown	Unknown	Unknown	Unknown	No	Custom Designs not offered in 2021	3475 High River Road Fort Worth, TX 76155
Volumetric Building Companies, Global Headquarters Philadelphia, Manufacturing Facility Tracy, CA	TBD	Unknown	Unknown	Unknown	Unknown	Unknown	TBD	Site Visit on 6/7/23 with Chris Schmidt, Flor Robles (Admin Tech for Homeless Service Division) and James Jackson. Chris took photos and requested copies of punch list and will get back to us within next two weeks.	Victoria, Senior Sustainability Mgr. (HQ-Philly) Chris Schmidt (West Coast, Mgr.)
Tiny Homes									
Quick Haven	598K (25 units)	Unknown	Unknown	25 units	Unknown	Unknown	N/A	1) 60-90 days based on previous conversations. Fire Marshall also indicated that Tiny Homes would need to be 10 ft apart versus containers that can be 8ft apart since they are made of steel. 2) Exterior of units are less than 9 ft square and are too wide for the existing concrete foundation that are 8ft wide and fire marshal would have to approve 9' separation between units vs 10'	Quick Haven Inc. 5786 Commerce Blvd Rohnert Park, CA 94928
Pallet	\$483K (24 units)	Unknown	Unknown	24 Units	Unknown	Unknown	N/A	1) 64 sq. ft. pallet units would only accommodate 1 person and may not accommodate ADA. 2) Would not provide warranty.	Pallet Inc. 1930 Merrill Creek Parkway, Suite A Everett, WA 98203
Tents Camps									
Safe Camping (Tents)	2.1 Million contract with the Salvation Army to manage for shelter for 1 year. The operations costs for FY 2023 Sheltering-Army \$2,454,000 Million and Sheltering-Other \$1,513,716 Million	N/A	No	60 tents inside and 75 tents outside	N/A	N/A	N/A	Santa Cruz-Operations is through Salvation Army, 24/7 Operations. 60 tents inside and 75 tents outside. Inside tents ending June 30,2023 Sanitation and security needs to be provided. For example. 54 tents in Tracy equal 32 tons of debris (64,000 lbs.)	City of Santa Cruz, Susan Oki, Homelessness Response 831-420-5059
Safe Camping (Tents)	400K yearly to fund (Funding came from two open positions from City Managers office)	N/A	No	27 tent spots	N/A	N/A	N/A	Located in City-owned property with 27 tent spots. This low barrier camp offers basic services such as showers and cooking facilities, with staff providing daily oversight and case management. Funding is sporadic and unsustainable, no security 24/7, rely on Parks and Recreation for sanitation	River Street Transitional Camp 1220 River Street Santa Cruz, CA 95060
Safe Parking (Recreational Vehicles)	\$390,000, one-year program was funded by the City of Santa Cruz and will be run by homeless service providers from the Santa Cruz Free Guide and the Association of Faith Communities	N/A	No	14 parking spaces	N/A	N/A	N/A	Santa Cruz Free Guide in partnership with City of Santa Cruz offers 24/7 safe RV parking-14 parking spaces and includes case management services, permanent housing placement assistance and resource problem solving at the site.	Parking Lot outside the National Guard Armory in DeLaveaga Park 855 Branciforte Drive Santa Cruz, CA 95065
Safe Parking (Vehicles)	\$564,791 from money received from the State of California, ARPA funds and two vacant positions in Public Works	N/A	No	Tier 1: 3 spaces Tier 2: 30 spaces Tier 3: 15-20 spaces	N/A	N/A	N/A	Santa Cruz has a 3-Tier Safe Parking System: Tier 1 Emergency Safe Parking for 24 Hours (3 spaces total) located at the Santa Cruz Police Dept Parking Lot. Tier 2 Multiple Safe Parking Sites for up to 30 days. (30 spaces total) in 2 City-owned lots. Trash facilities, portable restroom and hand washing stations are provided on-site. Outreach is currently being done by parking and SCPD staff as well as through City and County outreach workers. Tier 3 Operator Supported 24/7 Safe Parking Site (15-20 spaces total); Provide more stability to clients through a 24/7 parking program tied to case mgmt.	City of Santa Cruz, Susan Oki, Homelessness Response 831-420-5059
Safe Parking (Vehicles)	\$340,000 of Community Development Block Grant (CDBG) CARES Act 3 funding	N/A	N/A	15 spaces	N/A	N/A	N/A	City of Fremont Host sites are faith based and move every 30 days. CDBG funds are used to provide sanitation facilities and other in-kind services	Rotating Parking Lots Sites: Christ the King, Grace Church, Niles Discovery Church, South Bay Community Church, and Redeemer Church of Silicon Valley.
Safe Parking (Vehicles)	Funding source American Rescue Plan Act Funding	N/A	N/A	25 spaces	N/A	N/A	N/A	Reached out to Edgar Garcia HUD Supervisor (No response on inquiry). Agreement is between County is between County of Stanislaus, Salvation Army and Stanislaus Food Products for use of the site.	Parking lot located at 9th and B Street
Building (Future Project Planned use for Phase 4 area-prior to interim developments)									
60'x150' Traditional or Steel Building	\$5-\$6M (Est)	24 months	Y	Architectural Design Fees, Permitting	Existing foundations can be incorporate into new expanded foundation	N	N	N/A	N/A
60'x150' Sprung Structure	\$3-\$4M (Est)	6 - 10 months	Y	Architectural Design Fees, Permitting	Existing foundations can be incorporate into new	N	N	N/A	N/A
Modular (Leases)									
Mobile Modular Management Corporation	\$591,415.20 (60 month lease total)	60-month lease	Yes	4 Modulares and 1 Admin Building	N/A	N/A	Currently in service	Dormitory modular type is not readily available. They were designed for St. Mary's during COVID. Lead time on new dorm units is 9-12 months. Mobile Modular builds mostly administrative modulares versus dorm style. Cost to convert existing administrative units to dorm style is \$90,000, plus monthly lease costs.	Current 5 Leased Modulares (4 previously located at St. Mary's) Mobile Modular, 5700 Las Positas Rd, Livermore, CA 94551, Phone #: 925-606-9000
No Action									
City Council directs staff to cease construction/installation of customer containers.									N/A

May 18, 2023

Agenda Item

RECOMMENDATION

Staff recommends that the Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution approving a procurement agreement with Linked Equipment, LLC for the purchase of eight pre-manufactured custom container structures in an amount not to exceed \$716,320 to be installed as part of the site improvements at the Temporary Emergency Housing Project, CIP 71112, at 370 W. Arbor Avenue.

EXECUTIVE SUMMARY

Staff is requesting that the City Council approve a Procurement Agreement for the direct purchase of eight (8) pre-manufactured custom containers in a not to exceed amount of \$716,320 from the manufacturer, Linked Equipment, Inc.(Vendor), of Phoenix, Arizona, to expediate the fabrication, delivery, and installation of housing for the Temporary Emergency Housing Project, CIP 71112.

BACKGROUND AND LEGISLATIVE HISTORY

Given the complexity and magnitude of the homelessness crisis, further exacerbated by the COVID-19 pandemic, supply chain constraints, and the limited supply of affordable permanent housing options not only in the City, but throughout San Joaquin County, there is a significant and immediate need for interim housing solutions in the City, including interim emergency housing. Concerns about the public health, safety, and welfare of unsheltered individuals grows as the months progress without options to shelter the unhoused.

On March 10, 2020, the City Council declared a shelter crisis through the adoption of Resolution No. 2020-052. On September 1, 2020, Council authorized the creation of a Capital Improvement Project (CIP) for the Temporary Emergency Housing Project on Arbor Avenue, CIP 71112 (Facility), to create a safe and dignified facility for residents experiencing homelessness. Phase 1 of the project, which included demolition of an existing structure, installation of underground utilities and grading, began earlier this year and has been completed. Phase 2, which is to include the construction of above ground structures, fencing, and sidewalks was to begin this summer. Only one bid was received, and the bid was deemed non-responsive because the required federal compliance forms were not included in the bid packet. The bid also significantly exceeded the engineers' estimate. On August 16, 2022, staff recommended that City Council reject the single bid received for the Temporary Emergency Housing Project on Arbor Avenue, Site Improvements Construction Package 2, CIP 71112, and authorize staff to re-advertise the project and rebid of the project. As this created a delay, on August 16, 2022, the City Council adopted Resolution No. 2022-121, which reaffirmed an emergency shelter crisis as the City of Tracy continues to experience an increasing number of unsheltered individuals. Due to the declaration of an emergency, the Resolution authorized the City Manager to take requisite actions needed to expeditiously provide interim housing solutions. The Resolution also dispensed the procurement requirements for professional services pursuant to Tracy Municipal Code Section 2.20.140(b)(6).

ANALYSIS

Since August 2022, staff has presented to City Council various staff reports to ratify expenses related to the interim emergency solution, also known as Phase 3 (Modulars) and Phase 4 (Custom Containers), purchased under Resolution No. 2022-121 from CC915, Inc., dba Custom Containers 915 (CC915). As of December 29, 2022, eight (8) custom containers were delivered to the Arbor Avenue site. During this period, extreme unforeseen weather conditions were experienced in northern California with massive and extensive rain over several weeks. A completed punch list detailing various deficiencies were identified by staff and provided to CC915 on January 4, 2023. As a result of the severity of the noted deficiencies with the CC915's custom containers (Phase 4), staff has been unable to accept and issue certificates of occupancy of Phase 4.

Staff has spent several months working with the vendor, CC915, on the outstanding punch list to complete the repairs. The City has been unable to complete connection to power, utilities, and fire protection until the punch list items are completed by CC915. While the vendor has stated both verbally and through emails that they intend to make the City "whole" and provide adequate shelter facilities with their product, staff has increased concern about meeting the deadlines for the grant funding for this project. For example, staff has noted during the weekly memos to the City Council that CC915 has failed to be on site for several weeks. On May 1, 2023, the City proceeded with protecting the unsecured custom containers from further rain damage after CC915 removed all doors and door frames on the containers and failed to come back and secure them even after being notified of the weather.

The City was awarded a \$1.2 million grant from Health Plan of San Joaquin (HPSJ) to fund the purchase and installation of custom containers. The City received one final extension from Health Plan of San Joaquin to have the additional 38 beds in-service by October 31, 2023. In conversation with HPSJ, "in service" refers to the date that the units/custom containers are available to receive and be occupied by an individual for shelter. Based on CC915's inability to complete repairs on-time, the inadequacy of repairs to date, their continued lack of presence at the Arbor Avenue site, unresponsiveness to an emergency and missing their own set deadlines, staff has no confidence in CC915 completing the punch list.

In order to meet the grant funding deadlines and to continue moving forward with providing interim housing solutions to the unsheltered, staff is recommending that the City procure new containers from a different vendor to replace the existing custom containers. Staff has engaged Linked Equipment, LLC for similar units meeting California building code specifications. The City has utilized Linked Equipment for custom container unit types for the procurement of bathrooms and laundry facilities for the Tracy Shelter site. The Council previously approved a procurement agreement for the procurement of pre-manufactured restroom, shower, laundry, storage, and mechanical building structures from Vendor pursuant to Resolution No.2021-198. The City has been successful with this Vendor, not only with the final product, but with the final product meeting CA Building Code Standards. This agreement was procured as a sole source, since there were no other vendors available to provide the type of units required by the City in accordance with all applicable California specifications.

To meet the HPSJ grant funding milestones, it is to the City's advantage to procure these custom containers from Linked Equipment, Inc. based on their responsiveness and ability to

meet California Building Code requirements. Based on past experience with this Vendor and their area of expertise in building custom containers, the City will be able to provide adequate living quarters for the additional 38 beds required to be in-service by October 31, 2023. It is anticipated that this procurement contract will be an exception to the TMC section 2.20180(b)(4) When, in the determination of the City Council, compliance with the procedure is not in the best interest of the City for those commodities, equipment or general services the costs of which equal or exceed Fifty Thousand and no/100ths (\$50,000.00) Dollars.

The estimate provided by Linked Equipment for the eight custom containers (38 beds) is approximately \$651,200. The City will be responsible for shipping and delivery to the Arbor Avenue site. As a result, the City anticipates an approximate total purchase cost of \$716,320, which includes 10% contingency.

FISCAL IMPACT

The cost for the equipment is approximately \$716,320, which includes fabrication of the units, and 10% contingency. The City secured a grant of \$1.2 million from Health Plan of San Joaquin for the costs of the custom containers and interim site expenses related to Phase 3 and Phase 4. In addition, the City has committed funding from ARPA for the operations costs at the Temporary Housing Emergency Shelter.

CEQA DETERMINATION

Government Code section 8698.4 exempts the application of the California Environmental Quality Act (CEQA) to various actions taken by public agencies to implement the construction of a homeless shelter in response to a declared shelter crisis. In addition, the interim solutions taken thus far are in furtherance of and related to the permanent solution that will be implemented, referred to as the Temporary Emergency Housing Project on Arbor Avenue (CIP 71112). A Notice of Exemption was issued on October 16, 2020, for the Temporary Emergency Housing site at 500 Arbor Avenue in accordance with Government Code sections 65660-65662 for Low Barrier navigation Centers and Section 15269c) of the CEQA Guidelines (14 Cal. Code Regs. 15269(c) for (Emergency Projects). No environmental impacts beyond those already analyzed for the CIP exist; accordingly, no further CEQA analysis is needed.

STRATEGIC PLAN

This agenda item supports the Public Safety Strategic Priority, *Implement the adopted Homelessness Strategic Plan.*

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution approving a procurement agreement with Linked Equipment, LLC for the purchase of eight pre-manufactured custom container structures in an amount not to exceed \$716,320 to be installed as part of the site improvements at the Temporary Emergency Housing Project, CIP 71112, at 370 W. Arbor Avenue.

Prepared by: Karin Schnaider, Assistant City Manager
Reviewed by: Adriana Castaneda, Director of Mobility and Housing
Reviewed by: Riana Daniel, Deputy City Attorney
Approved by: Michael Rogers, City Manager

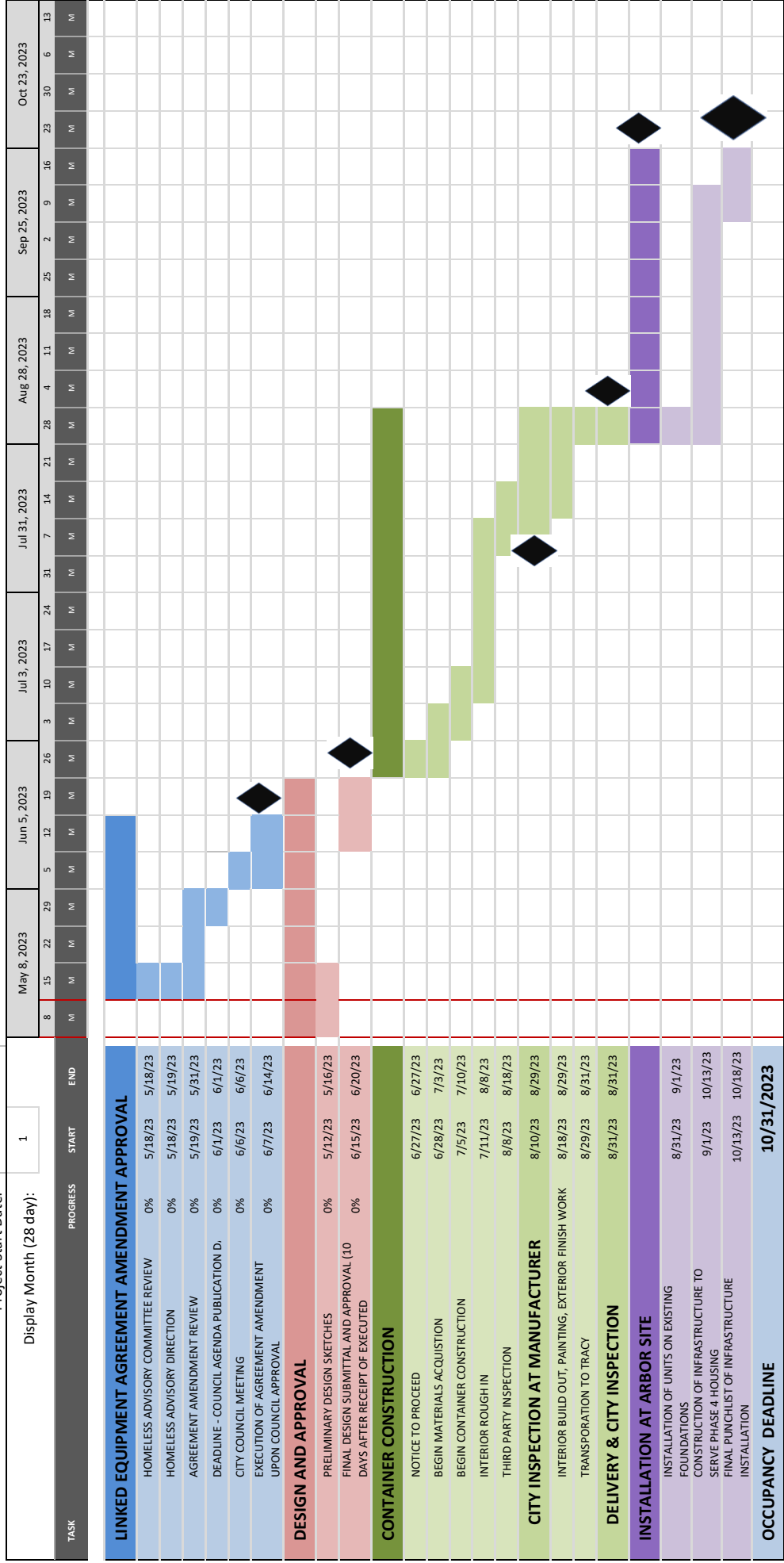
ATTACHMENT A – Linked Equipment Proposed Gantt Chart

CONTAINER DORMITORIES FOR TEH PHASE 4

City of Tracy
5/12/2023

Project Start Date:

Display Month (28 day):



Agenda Item 3.E

RECOMMENDATION

Staff recommends that the Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution approving a procurement agreement with Linked Equipment, LLC for the purchase of eight pre-manufactured custom container structures in an amount not to exceed \$716,320 to be installed as part of the site improvements at the Temporary Emergency Housing Project, CIP 71112, at 370 W. Arbor Avenue.

EXECUTIVE SUMMARY

Staff is requesting that the City Council approve a Procurement Agreement for the direct purchase of eight (8) pre-manufactured custom containers in a not to exceed amount of \$716,320 from the manufacturer, Linked Equipment, Inc.(Vendor), of Phoenix, Arizona, to expediate the fabrication, delivery, and installation of housing for the Temporary Emergency Housing Project, CIP 71112.

BACKGROUND AND LEGISLATIVE HISTORY

Given the complexity and magnitude of the homelessness crisis, further exacerbated by the COVID-19 pandemic, supply chain constraints, and the limited supply of affordable permanent housing options not only in the City, but throughout San Joaquin County, there is a significant and immediate need for interim housing solutions in the City, including interim emergency housing. Concerns about the public health, safety, and welfare of unsheltered individuals grows as the months progress without options to shelter the unhoused.

On March 10, 2020, the City Council declared a shelter crisis through the adoption of Resolution No. 2020-052. On September 1, 2020, Council authorized the creation of a Capital Improvement Project (CIP) for the Temporary Emergency Housing Project on Arbor Avenue, CIP 71112 (Facility), to create a safe and dignified facility for residents experiencing homelessness. Phase 1 of the project, which included demolition of an existing structure, installation of underground utilities and grading, began earlier this year and has been completed. Phase 2, which is to include the construction of above ground structures, fencing, and sidewalks was to begin this summer. Only one bid was received, and the bid was deemed non-responsive because the required federal compliance forms were not included in the bid packet. The bid also significantly exceeded the engineers' estimate. On August 16, 2022, staff recommended that City Council reject the single bid received for the Temporary Emergency Housing Project on Arbor Avenue, Site Improvements Construction Package 2, CIP 71112, and authorize staff to re-advertise the project and rebid of the project. As this created a delay, on August 16, 2022, the City Council adopted Resolution No. 2022-121, which reaffirmed an emergency shelter crisis as the City of Tracy continues to experience an increasing number of unsheltered individuals. Due to the declaration of an emergency, the Resolution authorized the City Manager to take requisite actions needed to expeditiously provide interim housing solutions. The Resolution also dispensed the procurement requirements for professional services pursuant to Tracy Municipal Code Section 2.20.140(b)(6).

ANALYSIS

Since August 2022, staff has presented to City Council various staff reports to ratify expenses related to the interim emergency solution, also known as Phase 3 (Modulars) and Phase 4 (Custom Containers), purchased under Resolution No. 2022-121 from CC915, Inc., dba Custom Containers 915 (CC915). As of December 29, 2022, eight (8) custom containers were delivered to the Arbor Avenue site. During this period, extreme unforeseen weather conditions were experienced in northern California with massive and extensive rain over several weeks. A completed punch list detailing various deficiencies were identified by staff and provided to CC915 on January 4, 2023. As a result of the severity of the noted deficiencies with the CC915's custom containers (Phase 4), staff has been unable to accept and issue certificates of occupancy of Phase 4.

Staff has spent several months working with the vendor, CC915, on the outstanding punch list to complete the repairs. The City has been unable to complete connection to power, utilities, and fire protection until the punch list items are completed by CC915. While the vendor has stated both verbally and through emails that they intend to make the City "whole" and provide adequate shelter facilities with their product, staff has increased concern about meeting the deadlines for the grant funding for this project. For example, staff has noted during the weekly memos to the City Council that CC915 has failed to be on site for several weeks. On May 1, 2023, the City proceeded with protecting the unsecured custom containers from further rain damage after CC915 removed all doors and door frames on the containers and failed to come back and secure them even after being notified of the weather.

The City was awarded a \$1.2 million grant from Health Plan of San Joaquin (HPSJ) to fund the purchase and installation of custom containers. The City received one final extension from Health Plan of San Joaquin to have the additional 38 beds in-service by October 31, 2023. In conversation with HPSJ, "in service" refers to the date that the units/custom containers are available to receive and be occupied by an individual for shelter. Based on CC915's inability to complete repairs on-time, the inadequacy of repairs to date, their continued lack of presence at the Arbor Avenue site, unresponsiveness to an emergency and missing their own set deadlines, staff has no confidence in CC915 completing the punch list.

In order to meet the grant funding deadlines and to continue moving forward with providing interim housing solutions to the unsheltered, staff is recommending that the City procure new containers from a different vendor to replace the existing custom containers. Staff has engaged Linked Equipment, LLC for similar units meeting California building code specifications. The City has utilized Linked Equipment for custom container unit types for the procurement of bathrooms and laundry facilities for the Tracy Shelter site. The Council previously approved a procurement agreement for the procurement of pre-manufactured restroom, shower, laundry, storage, and mechanical building structures from Vendor pursuant to Resolution No.2021-198. The City has been successful with this Vendor, not only with the final product, but with the final product meeting CA Building Code Standards. This agreement was procured as a sole source, since there were no other vendors available to provide the type of units required by the City in accordance with all applicable California specifications.

To meet the HPSJ grant funding milestones, it is to the City's advantage to procure these custom containers from Linked Equipment, Inc. based on their responsiveness and ability to

meet California Building Code requirements. Based on past experience with this Vendor and their area of expertise in building custom containers, the City will be able to provide adequate living quarters for the additional 38 beds required to be in-service by October 31, 2023. It is anticipated that this procurement contract will be an exception to the TMC section 2.20180(b)(4) When, in the determination of the City Council, compliance with the procedure is not in the best interest of the City for those commodities, equipment or general services the costs of which equal or exceed Fifty Thousand and no/100ths (\$50,000.00) Dollars.

The estimate provided by Linked Equipment for the eight custom containers (38 beds) is approximately \$651,200. The City will be responsible for shipping and delivery to the Arbor Avenue site. As a result, the City anticipates an approximate total purchase cost of \$716,320, which includes 10% contingency.

FISCAL IMPACT

The cost for the equipment is approximately \$716,320, which includes fabrication of the units, and 10% contingency. The City secured a grant of \$1.2 million from Health Plan of San Joaquin for the costs of the custom containers and interim site expenses related to Phase 3 and Phase 4. In addition, the City has committed funding from ARPA for the operations costs at the Temporary Housing Emergency Shelter.

CEQA DETERMINATION

Government Code section 8698.4 exempts the application of the California Environmental Quality Act (CEQA) to various actions taken by public agencies to implement the construction of a homeless shelter in response to a declared shelter crisis. In addition, the interim solutions taken thus far are in furtherance of and related to the permanent solution that will be implemented, referred to as the Temporary Emergency Housing Project on Arbor Avenue (CIP 71112). A Notice of Exemption was issued on October 16, 2020, for the Temporary Emergency Housing site at 500 Arbor Avenue in accordance with Government Code sections 65660-65662 for Low Barrier navigation Centers and Section 15269c) of the CEQA Guidelines (14 Cal. Code Regs. 15269(c) for (Emergency Projects). No environmental impacts beyond those already analyzed for the CIP exist; accordingly, no further CEQA analysis is needed.

STRATEGIC PLAN

This agenda item supports the Public Safety Strategic Priority, *Implement the adopted Homelessness Strategic Plan.*

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution approving a procurement agreement with Linked Equipment, LLC for the purchase of eight pre-manufactured custom container structures in an amount not to exceed \$716,320 to be installed as part of the site improvements at the Temporary Emergency Housing Project, CIP 71112, at 370 W. Arbor Avenue.

Prepared by: Karin Schnaider, Assistant City Manager
Reviewed by: Adriana Castaneda, Director of Mobility and Housing
Reviewed by: Riana Daniel, Deputy City Attorney
Approved by: Michael Rogers, City Manager

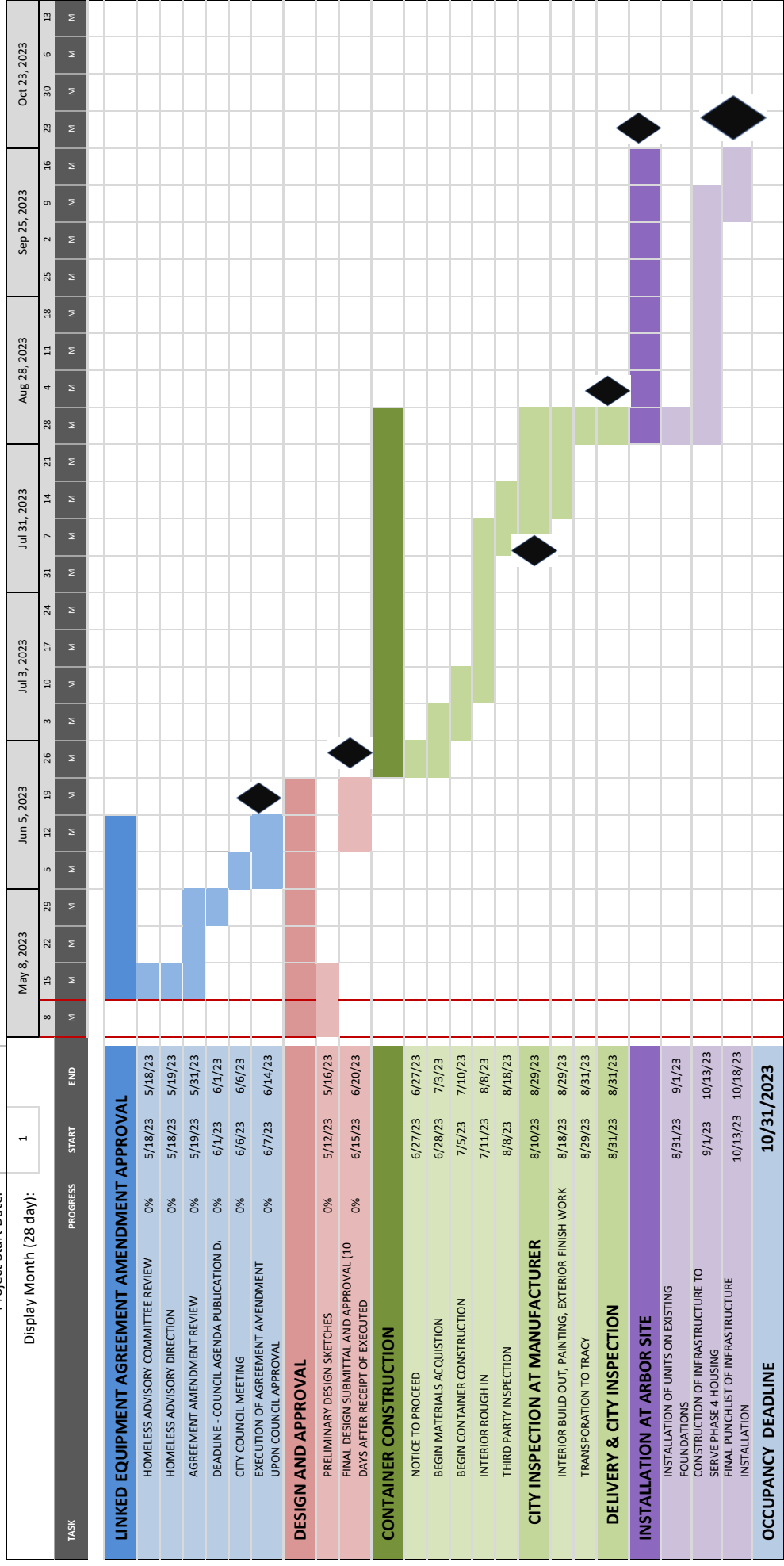
ATTACHMENT A – Linked Equipment Proposed Gantt Chart

CONTAINER DORMITORIES FOR TEH PHASE 4

City of Tracy
5/12/2023

Project Start Date:

Display Month (28 day):



Agenda Item 3.F

RECOMMENDATION

Staff recommends that the Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution ratifying, pursuant to Tracy Municipal Code Section 2.20.180(B)(1), contracts for goods and general services agreements executed by the City Manager to implement Emergency Interim Housing solutions for the unsheltered with Bicsec Security Inc., Jr Wagner Fire Protection Inc. and Temporary Restrooms

EXECUTIVE SUMMARY

This agenda item is to provide a summary of several actions followed by staff to implement emergency interim housing solutions for the unsheltered, and to receive ratification by City Council of the various contracts for goods and general services. On August 16, 2022, the City Council adopted Resolution No. 2022-121 (Resolution), which reaffirmed an emergency shelter crisis as the City of Tracy continues to experience an increasing number of unsheltered individuals. Due to the declaration of an emergency, the Resolution authorized the City Manager to take requisite actions needed to expeditiously provide interim housing solutions. The Resolution also dispensed the procurement requirements for professional services pursuant to Tracy Municipal Code Section 2.20.140(b)(6).

Since the adoption of the Resolution and in accordance with Council direction, staff has continued to move forward with implementing interim housing solutions. The City Manager has executed contracts under the authority of the Resolution. To fully inform the City Council and the public, this agenda item summarizes certain actions taken by the City Manager to address the shelter crisis, which involved the procurement of goods and general services. Additionally, since the Resolution only dispensed the procurement requirements for professional services, the Tracy Municipal Code requires that such contracts for certain purchases and general services be ratified by Council.

BACKGROUND AND LEGISLATIVE HISTORY

On March 10, 2020, the City Council declared a shelter crisis through the adoption of Resolution 2020-052. On September 1, 2020, Council authorized the creation of a Capital Improvement Project (CIP) for the Temporary Emergency Housing Project on Arbor Avenue, CIP 71112 (Facility), to create a safe and dignified facility for residents experiencing homelessness. Phase 1 of the project, which included demolition of an existing structure, installation of underground utilities and grading, began in 2022 and has been completed. Phase 2, which is to include the construction of above ground structures, fencing and sidewalks, was to begin in summer 2022. Only one bid was received, and the bid was deemed non-responsive, because the required federal compliance forms were not included in the bid packet. The bid also significantly exceeded the engineers' estimate.

On August 16, 2022, staff recommended that City Council reject the single bid received for the Temporary Emergency Housing Project on Arbor Avenue, Site Improvements Construction Package 2, CIP 71112, and authorize staff to re-advertise the project and rebid of the project. As this created a delay, on August 16, 2022, the City Council adopted Resolution No. 2022-121, which reaffirmed an emergency shelter crisis as the City of Tracy continues to experience an

increasing number of unsheltered individuals. Due to the declaration of an emergency, the Resolution authorized the City Manager to take requisite actions needed to expeditiously provide interim housing solutions. The Resolution also dispensed the procurement requirements for professional services pursuant to Tracy Municipal Code Section 2.20.140(b)(6).

ANALYSIS

The Resolution, adopted on August 16, 2022, directed the City Manager to take immediate and emergency actions necessary to implement interim housing solutions for Tracy's unsheltered population until the completion and opening of the Temporary Emergency Housing Project on Arbor Road. It also waived the competitive bidding requirements for professional services under the TMC, relating to the implementation of interim housing solutions. As noted above, at the time of adopting Resolution No. 2022-121, the City was exploring the leasing of fully constructed modular units to locate on Arbor Road and did not anticipate undertaking additional construction activities at the site beyond what had already been completed as part of Phase 1 of the Temporary Emergency Housing Project. Staff was unable to identify feasible alternative housing solutions due to various site constraints and logistical issues. As directed, per the Resolution, the City mobilized rapidly to undertake certain construction activities to install the units and operate them with adequate health and safety protections.

In December 2022, the City received eight custom containers, known as Phase 4. The City received authorization to enter into four contracts with vendors to complete the installation of the containers:

- 1) Tennyson Electric for the electrical power
- 2) GradeTech for utility services ()
- 3) Bicsec Security Inc. for a fire alarm system; and
- 4) Jr Wagner Fire Protection Inc for fire sprinklers.

The Tennyson Electric and GradeTech contracts were ratified by the City Council on December 6, 2022, pursuant to Resolution No. 2022-196.

As noted above, Resolution 2022-121 waived the procurement requirements for professional services pursuant to Tracy Municipal Code Section 2.20.140(b)(6) to provide the City Manager quicker options to secure services from interim shelter operators. At the time, the procurement of additional goods and services had not been contemplated, so they were not addressed in that Resolution. Tracy Municipal Code Section 2.20.180 requires that, for purchases or general services of \$50,000 or more, the City follow a formal bidding procedure for the procurement of such purchases or general services. Section 2.20.180(b)(1) allows formal bidding procedures to be dispensed in an emergency, provided that the City Manager reports to the City Council, at the next regular meeting, the reasons justifying why the emergency will not permit a delay resulting from a competitive solicitation for bids and why the action is necessary to respond to the emergency. As noted above, staff has requested, and the City Council has ratified, prior contracts that were entered into by the City Manager pursuant to the authority that had been delegated under Resolution 2022-121.

Due to the imminent need to provide housing solutions, the following additional purchases and contracts were necessary to respond to the housing emergency:

SIGNED CONTRACTS PROPOSED FOR CITY COUNCIL RATIFICATION

<u>Vendor</u>	<u>Summary</u>	<u>Ratification Amount</u>	<u>Not to Exceed Amount</u>
Bicsec Security Inc.	Fire Alarm System Installation for custom containers	\$60,000	\$60,000
Jr Wagner Fire Protection Inc.	Installation of Fire Sprinklers for custom containers	\$26,000	\$26,000
Temporary Restrooms vendor?	Temporary Rental of Restroom for Phase 4	\$105,000	\$105,000
	TOTAL	\$191,000	\$191,000

The above-mentioned procurement contracts for goods and general services agreements collectively total \$191,000 as part of this ratification request.

FISCAL IMPACT

The City secured a grant of \$1.2 million from Health Plan of San Joaquin for the costs of the custom containers and interim site expenses related to Phase 3 and Phase 4. In addition, the City has committed funding from ARPA for the operations costs at the Temporary Housing Emergency Shelter. Per City Council’s approval of the \$1.2 Million dollar grant, below is a breakdown of the funding allocation.

<u>Revenue Sources</u>	<u>Health Plan of San Joaquin</u>
Modulars (phase 3 first year)	\$192,931
Custom Containers (phase 4)	\$701,756
Operating (Supplies, Fuel) (phase 3 and 4 first year)	\$305,313
Total Committed	\$1,200,000

CEQA DETERMINATION

Government Code section 8698.4 exempts the application of the California Environmental Quality Act (CEQA) to various actions taken by public agencies to implement the construction of a homeless shelter in response to a declared shelter crisis. In addition, the interim solutions taken thus far are in furtherance of and related to the permanent solution that will be implemented, referred to as the Temporary Emergency Housing Project on Arbor Avenue (CIP 71112). A Notice of Exemption was issued on October 16, 2020, for the Temporary Emergency Housing site at 500 Arbor Avenue in accordance with Government Code sections 65660-65662

for Low Barrier navigation Centers and Section 15269c) of the CEQA Guidelines (14 Cal. Code Regs. 15269(c) for (Emergency Projects). No environmental impacts beyond those already analyzed for the CIP exist; accordingly, no further CEQA analysis is needed.

STRATEGIC PLAN

This agenda item supports the Public Safety Strategic Priority, *Implement the adopted Homelessness Strategic Plan.*

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution ratifying, pursuant to Tracy Municipal Code Section 2.20.180(B)(1), contracts for goods and general services agreements executed by the City Manager to implement Emergency Interim Housing solutions for the unsheltered with Bicsec Security Inc., Jr Wagner Fire Protection Inc. and Temporary Restrooms

Prepared by: Karin Schnaider, Assistant City Manager
Reviewed by: Adriana Castaneda, Director of Mobility and Housing
Reviewed by: Bijal Patel, City Attorney
Approved by: Midori Lichtwardt, Interim City Manager

Agenda Item 3.G

RECOMMENDATION

Staff recommends that the Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution (1) awarding a construction contract to Arnaudo Construction, Inc., of Tracy, California in the amount of \$1,359,560 for the 384 Arbor Avenue Sewer Lift Station & Holding Tank, CIP 71112, (2) approving a project Not-to-Exceed budget of \$1,699,450 and (3) authorizing the City Manager to approve change orders up to the contingency amount of \$135,956 if needed.

EXECUTIVE SUMMARY

Staff recommends that the Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution awarding a construction contract to Arnaudo Construction, Inc., of Tracy, California in the amount of \$1,359,560 for the 384 Arbor Avenue Sewer Lift Station & Holding Tank, CIP 71112, (2) approving a project Not-to-Exceed budget of \$1,699,450 and (3) authorizing the City Manager to approve change orders up to the contingency amount of \$135,956 if needed.

BACKGROUND AND LEGISLATIVE HISTORY

On September 1, 2020, City Council authorized the creation of a Capital Improvement Project (CIP) for the Temporary Emergency Housing Project on Arbor Avenue, CIP 71112 (Project) to create a safe and dignified facility for residents experiencing homelessness.

To expedite the needed site work for the Project, the construction work was divided into a preliminary phase (Phase 1), which consisted of demolition, rough grading and installation of underground utilities, and design work to be prepared by City staff. On April 19, 2022, City Council awarded a construction contract to GradeTech, Inc., of San Ramon, California and improvements under that contract have been completed and are pending project acceptance by City Council.

Phase 2 contract work that includes the permanent site improvements is currently being prepared for re-bidding in the summer of 2023, but due to the long lead times of electrical equipment, it was decided that strategically phased components should be bid out separately, in advance of the Phase 2 improvements, in order to coordinate lead times for electrical and lift station equipment delivery and with Phase 2 project completion.

Engineering staff prepared the plans and specifications and advertised the project, 384 Arbor Avenue Sewer Lift Station & Holding Tank, CIP 7112, for competitive bids on April 28, 2023, and May 5, 2023. Bids were received and publicly opened on May 25, 2023, at 2:30 pm with the following results:

<u>Contractor</u>	<u>Bid Amount</u>
Arnaudo Construction, Inc., Tracy CA	\$1,359,560
GSC Construction, Livermore, CA	\$1,381,700

ANALYSIS

Bid analysis indicates that the lowest monetary bid is responsive and the bidder, Arnaudo Construction, Inc. of Tracy California is responsible. The bidder has the appropriate contractor's license in active standing with the State of California and has completed similar projects.

The total estimated cost of this project, if awarded to the lowest bidder, is as follows:

CONSTRUCTION BID	\$ 1,359,560
CONSTRUCTION MANAGEMENT (10%)	\$ 135,956
DESIGN SUPPORT DURING CONSTRUCTION (5%)	\$ 67,978
CONTINGENCY (10%)	\$ 135,956
 TOTAL PROJECT NOT-TO-EXCEED BUDGET	 \$ 1,699,450

Tracy Municipal Code Section 2.20.090(b) authorizes the City Manager to approve change orders up to the contingency amount of \$135,956 for this project, which is 10% of the construction contract cost.

FISCAL IMPACT

The total estimated project cost is \$ 1,699,450 and will be funded by CIP 71112. The Temporary Emergency Housing Project CIP 71112 has a current available budget of \$5,425,311 as follows:

	FUND	BUDGET	EXPENSES	BALANCE
ARPA	252	\$ 4,500,000	\$ 265,336	\$ 4,234,664
San Joaquin County (ARPA)	301	\$ 3,661,113	\$ 3,120,783	\$ 540,330
HHAP	261	\$ 329,240	\$ 329,240	\$ -
HHAP R2	261	\$ 414,042	\$ 414,042	\$ -
CDBG (3 Grants)	268	\$ 836,294	\$ 836,294	\$ -
Housing Asset Funds	282	\$ 690,000	\$ 39,683	\$ 650,317
<hr/>				
CURRENT BUDGET		\$ 10,430,689	\$ 5,005,378	\$ 5,425,311

COORDINATION

Engineering Staff coordinated with the Assistant City Manager's Office, the Mobility & Housing Department, and the Operations & Utilities Department.

CEQA DETERMINATION

Government Code section 8698.4 exempts the application of the California Environmental Quality Act (CEQA) to various actions taken by public agencies to implement the construction of a homeless shelter in response to a declared shelter crisis. In addition, the interim solutions taken thus far are in furtherance of and related to the permanent solution that will be

implemented, referred to as the Temporary Emergency Housing Project on Arbor Avenue (CIP 71112). A Notice of Exemption was issued on October 16, 2020, for the Temporary Emergency Housing site at 500 Arbor Avenue in accordance with Government Code sections 65660-65662 for Low Barrier navigation Centers and Section 15269(c) of the CEQA Guidelines (14 Cal. Code Regs. 15269(c)) for (Emergency Projects.) No environmental impacts beyond those already analyzed for the CIP exist; accordingly, no further CEQA analysis is needed.

STRATEGIC PLAN

This agenda item supports the Public Safety Strategic Priority, *Implement the adopted Homelessness Strategic Plan*.

ACTION REQUESTED OF THE COMMITTEE

Staff recommends that the Tracy Homelessness Advisory Committee (THAC) recommend that the City Council adopt a resolution (1) awarding a construction contract to Arnaudo Construction, Inc., of Tracy, California in the amount of \$1,359,560 for the 384 Arbor Avenue Sewer Lift Station & Holding Tank, CIP 71112, (2) approving a project Not-to-Exceed budget of \$1,699,450 and (3) authorizing the City Manager to approve change orders up to the contingency amount of \$135,956 if needed.

Prepared by: Ilene Macintire, Senior Civil Engineer
Reviewed by: Karin Schnaider, Assistant City Manager
Reviewed by: Adriana Castaneda, Director of Mobility and Housing
Reviewed by: Bijal Patel, City Attorney
Approved by: Midori Lichtwardt, Interim City Manager

Agenda Item 3.H

RECOMMENDATION

Staff recommends that the Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution (1) awarding a construction contract to DV Electric Company, Inc., of San Jose, California (DV) in the amount of \$208,660 for the 370 Arbor Avenue Main Power Supply, CIP 71112, (2) exercising, under Section 14 of the bid documents, City's right to waive, as immaterial bid irregularities, delays by DV in strictly meeting posted deadlines for requisite federal paperwork to document its Small Business Enterprise qualification, (3) approving a project Not-to-Exceed budget of \$260,825 and (4) authorizing the City Manager to approve change orders up to the contingency amount of \$20,866 if needed, pursuant to Tracy Municipal Code Section 2.20.090(b).

EXECUTIVE SUMMARY

Staff recommends that the Tracy Homelessness Advisory Committee (THAC) recommend that the City Council adopt a resolution awarding a construction contract to DV Electric Company, Inc., of San Jose, California in the amount of \$208,660 for the 370 Arbor Avenue Main Power Supply, CIP 71112, exercising, under Section 14 of the bid documents, City's right to waive, as immaterial bid irregularities, delays by DV in strictly meeting posted deadlines for requisite federal paperwork to document its Small Business Enterprise qualification, approving a project Not-to-Exceed budget of \$260,825 and authorizing the City Manager to approve change orders up to the contingency amount of \$20,866 if needed, pursuant to Tracy Municipal Code Section 2.20.090(b).

BACKGROUND AND LEGISLATIVE HISTORY

On September 1, 2020, City Council authorized the creation of a Capital Improvement Project (CIP) for the Temporary Emergency Housing Project on Arbor Avenue, CIP 71112 (Project) to create a safe and dignified facility for residents experiencing homelessness.

To expedite the needed site work for the Project, the construction work was divided into a preliminary phase (Phase 1), which consisted of demolition, rough grading and installation of underground utilities, and design work to be prepared by City staff. On April 19, 2022, City Council awarded a construction contract to GradeTech, Inc., of San Ramon, California and improvements under that contract have been completed and are pending project acceptance by City Council.

Phase 2 contract work that includes the permanent site improvements is currently being prepared for re-bidding in the summer of 2023, but due to the long lead times of electrical equipment, it was decided that strategically phased components should be bid out separately, in advance of the Phase 3 improvements, in order to coordinate lead times for the electrical and lift station equipment delivery and with Phase 2 project completion.

Engineering staff prepared the plans and specifications and advertised the project, 370 Arbor Avenue Main Power Supply, CIP 7112, for competitive bids on April 21, 2023, and April 28, 2023. Bids were received and publicly opened on May 17, 2023, at 2:00 pm with the following results:

<u>Contractor</u>	<u>Bid Amount</u>
DV Electric Company, Inc., San Jose, CA	\$208,660
Bockman & Woody Electric, Inc., Stockton CA	\$336,700

ANALYSIS

Bid analysis indicates that the lowest monetary bid is responsive and the bidder, DV Electric Company, Inc., of San Jose, California is responsible. The bidder has the appropriate contractor’s license in active standing with the State of California and has completed similar projects.

The requirements associated with the project federal funding state that bidders must submit additional federal forms after the bid opening date. City staff assisted the bidders, with the guidance of City consultant Adams Ashby, to complete the additional required forms. DV Electric Company worked in good faith with the City to provide all required information, make needed corrections and provide documentation of their Small Business Enterprise (SBE) status. Due to the federal holiday weekend, communications from Adams Ashby did not occur immediately on the date of bid opening, as was anticipated by the bid documents. Further, the lowest bidder qualifies as an SBE and additional forms were needed to document their SBE qualification. As a result, some forms were received from the lowest bidder later than the posted submittal deadlines. Because the bidder continued to work with the City in good faith to comply and the delay was caused, in part, by the federal holiday and the City’s communications, staff recommends that the City Council exercise its right, under Section 14 of the contract documents, to waive, as an immaterial bid irregularity, any delay by DV Electric Company in submitting the requisite federal paperwork.

The total estimated cost of this project, if awarded to the lowest bidder, is as follows:

CONSTRUCTION BID	\$ 208,660
CONSTRUCTION MANAGEMENT (10%)	\$ 20,866
DESIGN SUPPORT DURING CONSTRUCTION (5%)	\$ 10,433
CONTINGENCY (10%)	\$ 20,866
 TOTAL PROJECT NOT-TO-EXCEED BUDGET	 \$ 260,825

Tracy Municipal Code Section 2.20.090(b) authorizes the City Manager to approve change orders up to the contingency amount of \$20,866 for this project, which is 10% of the construction contract cost.

FISCAL IMPACT

The total estimated project cost is \$ 260,825 and will be funded by CIP 71112, The Temporary Emergency Housing Project. CIP 71112 has a current available budget of \$5,425,311 as follows:

	FUND	BUDGET	EXPENSES	BALANCE
ARPA	252	\$ 4,500,000	\$ 265,336	\$ 4,234,664
San Joaquin County (ARPA)	301	\$ 3,661,113	\$ 3,120,783	\$ 540,330
HHAP	261	\$ 329,240	\$ 329,240	\$ -
HHAP R2	261	\$ 414,042	\$ 414,042	\$ -
CDBG (3 Grants)	268	\$ 836,294	\$ 836,294	\$ -
Housing Asset Funds	282	\$ 690,000	\$ 39,683	\$ 650,317
CURRENT BUDGET		\$ 10,430,689	\$ 5,005,378	\$ 5,425,311

COORDINATION

Engineering Staff coordinated with the Assistant City Manager’s Office, the Mobility & Housing Department, and the Operations & Utilities Department.

CEQA DETERMINATION

Government Code section 8698.4 exempts the application of the California Environmental Quality Act (CEQA) to various actions taken by public agencies to implement the construction of a homeless shelter in response to a declared shelter crisis. In addition, the interim solutions taken thus far are in furtherance of and related to the permanent solution that will be implemented, referred to as the Temporary Emergency Housing Project on Arbor Avenue (CIP 71112). A Notice of Exemption was issued on October 16, 2020, for the Temporary Emergency Housing site at 500 Arbor Avenue in accordance with Government Code sections 65660-65662 for Low Barrier Navigation Centers and Section 15269(c) of the CEQA Guidelines (14 Cal. Code Regs. 15269(c)) for (Emergency Projects.) No environmental impacts beyond those already analyzed for the CIP exist; accordingly, no further CEQA analysis is needed.

STRATEGIC PLAN

This agenda item supports the Public Safety Strategic Priority, *Implement the adopted Homelessness Strategic Plan.*

ACTION REQUESTED OF THE COMMITTEE

Staff recommends that the Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution (1) awarding a construction contract to DV Electric Company, of San Jose, California in the amount of \$208,660 for the 370 Arbor Avenue Main Power Supply, CIP 71112, (2) exercising, under Section 14 of the bid documents, City’s right to waive, as immaterial bid irregularities, delays by DV in strictly meeting posted deadlines for requisite federal paperwork to document its Small Business Enterprise qualification, (3) approving a project Not-to-Exceed budget of \$260,825 and (4) authorizing the City Manager to approve change orders up to the contingency amount of \$20,866 if needed, , pursuant to Tracy Municipal

Code Section 2.20.090(b).

Prepared by: Ilene Macintire, Senior Civil Engineer
Reviewed by: Karin Schnaider, Assistant City Manager
Reviewed by: Adriana Castaneda, Director of Mobility and Housing
Reviewed by: Bijal Patel, City Attorney
Approved by: Midori Lichtwardt, Interim City Manager

Agenda Item 3.I

RECOMMENDATION

Staff recommends that the Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution (1) awarding a construction contract to DV Electric Company, Inc., of San Jose, California (DV), in the amount of \$373,745 for the 384 Arbor Avenue Main Power Supply, CIP 71112, (2) exercising, under Section 14 of the bid documents, City's right to waive, as immaterial bid irregularities, delays by DV in strictly meeting posted deadlines for requisite federal paperwork to document its Small Business Enterprise qualification, (3) approving a project Not-to-Exceed budget of \$467,182, and (4) authorizing the City Manager to approve change orders up to the contingency amount of \$37,375, if needed, pursuant to Tracy Municipal Code Section 2.20.090(b).

EXECUTIVE SUMMARY

Staff recommends that the Tracy Homelessness Advisory Committee (THAC) recommend that the City Council adopt a resolution awarding a construction contract to DV Electric Company, Inc., of San Jose, California in the amount of \$373,745 for the 384 Arbor Avenue Main Power Supply, CIP 71112, exercising, under Section 14 of the bid documents, City's right to waive, as immaterial bid irregularities, delays by DV in strictly meeting posted deadlines for requisite federal paperwork to document its Small Business Enterprise qualification, approving a project Not-to-Exceed budget of \$467,182 and authorizing the City Manager to approve change orders up to the contingency amount of \$37,375 if needed, pursuant to Tracy Municipal Code Section 2.20.090(b).

BACKGROUND AND LEGISLATIVE HISTORY

On September 1, 2020, City Council authorized the creation of a Capital Improvement Project (CIP) for the Temporary Emergency Housing Project on Arbor Avenue, CIP 71112 (Project) to create a safe and dignified facility for residents experiencing homelessness.

To expedite the needed site work for the Project, the construction work was divided into a preliminary phase (Phase 1), which consisted of demolition, rough grading and installation of underground utilities, and design work to be prepared by City staff. On April 19, 2022, City Council awarded a construction contract to GradeTech, Inc., of San Ramon, California and improvements under that contract have been completed and are pending project acceptance by City Council.

Phase 2 contract work that includes the permanent site improvements is currently being prepared for re-bidding in the summer of 2023, but due to the long lead times of electrical equipment, it was decided that strategically phased components should be bid out separately, in advance of the Phase 2 improvements, in order to coordinate lead times for the electrical and lift station equipment delivery and with Phase 2 project completion.

Engineering staff prepared the plans and specifications and advertised the project, 384 Arbor Avenue Main Power Supply, CIP 7112, for competitive bids on April 28, 2023, and May 5, 2023. Bids were received and publicly opened on May 25, 2023, at 2:00 pm with the following results:

<u>Contractor</u>	<u>Bid Amount</u>
DV Electric Company, Inc., San Jose, CA	\$373,745
Bockman & Woody Electric, Inc., Stockton CA	\$406,110

ANALYSIS

Bid analysis indicates that the lowest monetary bid is responsive and the bidder, DV Electric Company, Inc., of San Jose, California is responsible. The bidder has the appropriate contractor's license in active standing with the State of California and has completed similar projects.

The requirements associated with the project federal funding state that bidders must submit additional federal forms after the bid opening date. City staff assisted the bidders, with the guidance of City consultant Adams Ashby, to complete the additional required forms. DV Electric Company worked in good faith with the City to provide all required information, make needed corrections and provide documentation of their Small Business Enterprise (SBE) status. Due to the federal holiday weekend, communications from Adams Ashby did not occur immediately on the date of bid opening, as was anticipated by the bid documents. Further, the lowest bidder qualifies as an SBE and additional forms were needed to document their SBE qualification. As a result, some forms were received from the lowest bidder later than the posted submittal deadlines. Because the bidder continued to work with the City in good faith to comply and the delay was caused, in part, by the federal holiday and the City's communications, staff recommends that the City Council exercise its right, under Section 14 of the contract documents, to waive, as an immaterial bid irregularity, any delay by DV Electric Company in submitting the requisite federal paperwork.

The total estimated cost of this project, if awarded to the lowest bidder, is as follows:

CONSTRUCTION BID	\$ 373,745
CONSTRUCTION MANAGEMENT (10%)	\$ 37,375
DESIGN SUPPORT DURING CONSTRUCTION (5%)	\$ 18,687
CONTINGENCY (10%)	\$ 37,375
TOTAL PROJECT NOT-TO-EXCEED BUDGET	\$ 467,182

Tracy Municipal Code Section 2.20.090(b) authorizes the City Manager to approve change orders up to the contingency amount of \$37,375 for this project, which is 10% of the construction contract cost.

FISCAL IMPACT

The total estimated project cost is \$ 467,182 and will be funded by CIP 71112, the Temporary Emergency Housing Project. CIP 71112 has a current available budget of \$5,425,311 as follows:

	FUND	BUDGET	EXPENSES	BALANCE
ARPA	252	\$ 4,500,000	\$ 265,336	\$ 4,234,664
San Joaquin County (ARPA)	301	\$ 3,661,113	\$ 3,120,783	\$ 540,330
HHAP	261	\$ 329,240	\$ 329,240	\$ -
HHAP R2	261	\$ 414,042	\$ 414,042	\$ -
CDBG (3 Grants)	268	\$ 836,294	\$ 836,294	\$ -
Housing Asset Funds	282	\$ 690,000	\$ 39,683	\$ 650,317
CURRENT BUDGET		\$ 10,430,689	\$ 5,005,378	\$ 5,425,311

COORDINATION

Engineering Staff coordinated with the Assistant City Manager’s Office, the Mobility & Housing Department, and the Operations & Utilities Department.

CEQA DETERMINATION

Government Code section 8698.4 exempts the application of the California Environmental Quality Act (CEQA) to various actions taken by public agencies to implement the construction of a homeless shelter in response to a declared shelter crisis. In addition, the interim solutions taken thus far are in furtherance of and related to the permanent solution that will be implemented, referred to as the Temporary Emergency Housing Project on Arbor Avenue (CIP 71112). A Notice of Exemption was issued on October 16, 2020, for the Temporary Emergency Housing site at 500 Arbor Avenue in accordance with Government Code sections 65660-65662 for Low Barrier Navigation Centers and Section 15269(c) of the CEQA Guidelines (14 Cal. Code Regs. 15269(c)) for (Emergency Projects.) No environmental impacts beyond those already analyzed for the CIP exist; accordingly, no further CEQA analysis is needed.

STRATEGIC PLAN

This agenda item supports the Public Safety Strategic Priority, *Implement the adopted Homelessness Strategic Plan*.

ACTION REQUESTED OF THE COMMITTEE

Staff recommends that the Tracy Homelessness Advisory Committee recommend that the City Council adopt a resolution (1) awarding a construction contract to DV Electric Company, Inc., of San Jose, California in the amount of \$373,745 for the 384 Arbor Avenue Main Power Supply, CIP 71112, (2) exercising, under Section 14 of the bid documents, City’s right to waive, as immaterial bid irregularities, delays by DV in strictly meeting posted deadlines for requisite federal paperwork to document its Small Business Enterprise qualification, (3) approving a project Not-to-Exceed budget of \$467,182 and (4) authorizing the City Manager to approve change orders up to the contingency amount of \$37,375 if needed, pursuant to Tracy Municipal

Code Section 2.20.090(b).

Prepared by: Ilene Macintire, Senior Civil Engineer
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Approved by: Midori Lichtwardt, Interim City Manager