

Agenda Item 3.D.

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 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 for the electrical power (Tennyson Electric) and utility services (GradeTech), which was previously approved on December 6, 2022, pursuant to Resolution No. 2022-196.

To operate the custom containers, the City is responsible for a portion of the fire alarm and sprinkler system (BIC and JR Wagner). In February 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>
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
SC Fuel	February 2023 through May 2023 fuel costs	\$100,000	\$100,000
United Fence Services	Temporary fencing until permanent fencing installed	\$180,000	\$200,000
Temporary Restrooms	Temporary Rental of Restroom for Phase 4	\$105,000	\$105,000
	<b>TOTAL</b>	\$471,000	\$491,000

The above-mentioned procurement contracts for goods and general services agreements collectively total \$491,000 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.

#### 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: Riana Daniel, Deputy City Attorney

Approved by: Michael Rogers, City Manager