

PALM DESERT HOUSING AUTHORITY STAFF REPORT

MEETING DATE: October 12, 2023

PREPARED BY: Celina Cabrera, Management Analyst

REQUEST: AUTHORIZE AN INCREASE TO THE NOT TO EXCEED AMOUNT FOR HD SUPPLY FACILITIES MAINTENANCE, LTD., IN THE AMOUNT OF \$10,000 FOR FISCAL YEAR 2022/23

RECOMMENDATION:

Authorize an increase of \$10,000 to the not to exceed amount of HD Supply Facilities Maintenance in Fiscal Year 2022/23 for an aggregate amount of \$220,000.

BACKGROUND/ANALYSIS:

On May 22, 2022, the Housing Authority authorized the use of HD Supply Facilities Maintenance (“HD Supply”) for the purchase of materials and supplies pursuant to the Palm Desert Municipal Code Section 3.30.160 with a not to exceed amount of \$210,000 for FY 2022/23. HD Supply is utilized by the Authority for the purchase of a variety of materials and supplies, including office supplies, janitorial/cleaning supplies, plumbing, window coverings, lighting, ceiling fans, cabinets, and countertops for the management and operation of the Authority’s 15 properties. The budget is monitored by RPM Company.

After a recent informal audit, in late June 2023, it was discovered that HD Supply was close to meeting their allowed not to exceed amount of \$210,000 due to an increase in cost of items plus the compounding increase of unit turnovers. Purchases from HD Supply were stopped; However, additional invoices were issued and the not to exceed is over-expended. An increase in not-to-exceed amount is necessary to close the invoices accrued in FY 2022/23.

Legal Review:

This report has been reviewed by the City Attorney’s office.

Appointed Body Recommendation:

The Housing Commission will review this recommendation at its regular meeting on October 11, 2023. Upon request, a verbal report will be provided at the Authority’s regular meeting on October 12, 2023

FINANCIAL IMPACT:

The financial impact of the authorization to the request would result in an increased not to exceed amount for HD Supply Facilities Maintenance, LTD in FY 2022/23 to \$220,000. Authorization does not require an appropriation and does not impact the General Fund.