

PALM DESERT HOUSING AUTHORITY STAFF REPORT

MEETING DATE: February 27, 2025

PREPARED BY: CELINA CABRERA, SENIOR MANAGEMENT ANALYST

SUBJECT: AUTHORIZE AN INCREASE OF \$80,000 TO NOT TO EXCEED AMOUNT FOR ADDITIONAL SERVICES FOR JOHN HARRISON CONTRACTING, INC.

RECOMMENDATION:

1. Authorize an increase of \$80,000 to the not to exceed amount for additional services for John Harrison Contracting, Inc., for Fiscal Year 2024-25 and Fiscal Year 2025-26 for a total amount Not to Exceed \$108,500 each fiscal year.
2. Authorize the Executive Director, or his designee, to take any necessary actions to facilitate and effectuate the actions taken herewith.

BACKGROUND/ANALYSIS:

John Harrison Contracting, Inc. (“JHC”) was awarded a maintenance services agreement with the Palm Desert Housing Authority for Heating, Ventilation, and Air Conditioning services following a competitive bid process. The agreement commenced on July 1, 2023, and is set for renewal on June 30, 2026. The Authority Board approved the agreement on June 22, 2023, for a total contract amount of \$218,500, 190,000 for regular maintenance services and \$28,500 for additional services. The requested additional service will increase the total contract to \$298,500, \$190,000 for regular maintenance and \$108,500 for additional services.

Due to an increase in unit replacements driven by equipment reaching the end of their lifespan, along with accelerated wear caused by critical weather events, the allocated \$28,500 has become insufficient. An increase in funding is necessary to accommodate the required additional services such as unit replacements, required repairs, and to ensure sufficient budget availability for emergency response. Additional services for emergency response are averaging \$283 per call, unit repairs average \$1,176, and unit replacements average \$7,026 each.

Regular maintenance services include one scheduled maintenance service on each HVAC unit a year. JHC regular maintenance includes checking and cleaning condenser and coil, blowing out components, tightening connections, lubricating moving parts, flushing condensation line, replacing filter, and checking the air flow.

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 February 12, 2025. Upon request, a verbal report will be provided at the Authority’s regular meeting on February 27, 2025.

FINANCIAL IMPACT:

This request will increase the Not to Exceed amount for additional services to \$108,500/year. Funds are available in the Housing Authority FY 2024-25 Annual Budget to cover this cost. There is no impact to the General Fund.

ATTACHMENTS:

1. Staff Report of June 22, 2023
2. Executed Agreement HA445510