



Legislation Text

File #: 1984-2022, **Version:** 1

BACKGROUND

This legislation authorizes the Director of the Department of Development to modify (Modification No. 1) a contract with BCN Real Estate Holdings LLC to add an escalator clause and funding to permit a fuel surcharge in light of the rising costs of fuel.

Original contract amount	\$ 50,000.00	Ord. 0239-2022	PO311077
Modification No. 1 amount	\$ <u>2,500.00</u>		
Total contract amount	\$ 52,500.00		

The purpose of the Property Maintenance program is to provide services that may include some or all of the following service categories in each assignment: removal and disposal of trash and debris both inside and outside of structures; light demolition; tree and shrub maintenance and/or removal; and other miscellaneous services. Most work assigned under this contract shall be removal and disposal of trash and debris for properties held by the Land Redevelopment Division.

Companies responded to an Invitation to Bid, RFQ020243 in 2021 and were selected by an evaluation committee as the companies with the best proposals based on prior experience, resources and qualifications. The bids allow the establishment of one year contracts with an option to extend an additional year.

The Department of Development advertised RFQ020243 on Vendor Services in October 2021 for the Property Maintenance program and 13 bids were received. The Director of Development entered into contract with 10 bidders under the authority of Columbus City Code Section 329.19. The contract period is from the date of approval of the purchase order to February 28, 2023, with an option to renew one additional year, through 2024.

Since the origination of the agreement with BCN Real Estate Holdings LLC, fuel costs have risen significantly and have impacted Property Maintenance program providers' ability to perform services under the contracted fee amounts. To remedy this unforeseen cost, modification of the original agreement to include an escalator and de-escalator clause for fuel surcharges is necessary. Without this modification, providers may terminate their current contracts, requiring the City to seek competitive proposals that take the current fuel costs into consideration. A modification of the current agreements saves the City both the expense and time associated with seeking services from new providers.

The escalator and de-escalator clauses will allow providers to charge a 5% fuel surcharge to each invoice that covers work completed during a time of high/rising fuel costs. The de-escalator portion of the modification will eliminate the fuel surcharge if/when fuel costs fall closer in line with costs at the time that the agreement was entered into.

Additional funds will be added with this modification to cover the fuel surcharge costs.

Emergency action is requested in order to continue to provide services without interruption.

FISCAL IMPACT: Funding of \$2,500.00 is available in the Land Management Fund (2206).

CONTRACT COMPLIANCE: the vendor number is 023775 and expires 3/4/2024.

To authorize the Director of the Department of Development to modify a contract with BCN Real Estate Holdings LLC to include an escalator and de-escalator clause for fuel surcharge fees; to authorize the appropriation and expenditure of up

to \$2,500.00; and to declare an emergency. (\$2,500.00)

WHEREAS, the Director of the Department of Development has identified the need to modify a contract with BCN Real Estate Holdings LLC to include an escalator and de-escalator clause for fuel surcharge fees, to increase the contract amount by \$2,500.00; and

WHEREAS, the Department of Development advertised RFQ020243 on Vendor Services in October 2021 for the Property Maintenance program, 13 bids were received, and the Director of Development entered into contract with 10 bidders under the authority of Columbus City Code Section 329.19; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Development in that this contract extension and modification should be authorized immediately to continue program services without interruption, thereby preserving the public health, peace, property, safety and welfare; **NOW, THEREFORE,**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Director of the Department of Development be and is hereby authorized to modify a contract with BCN Real Estate Holdings LLC to include an escalator and de-escalator clause for fuel surcharge fees.

SECTION 2. That from the unappropriated monies and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ended December 31, 2022, the sum of \$2,500.00 is appropriated in Fund 2206 (Land Management Fund), from Dept-Div 44-11 (Land Redevelopment), object class 03 (Services) per the account codes in the attachment to this Ordinance.

SECTION 3. That the expenditure of \$2,500.00, or so much thereof as may be needed, is hereby authorized in Fund 2206 (Land Management Fund), Dept-Div 4411 (Land Redevelopment), object class 03 (Services) per the account codes in the attachment to this ordinance.

SECTION 4. Funds are hereby deemed appropriated and expenditures and transfers authorized to carry out the purposes of this Ordinance and the City Auditor shall establish such accounting codes as necessary.

SECTION 5. This modification is made in accordance with the relevant provisions of the City Code Charter 329 relating to contract modifications.

SECTION 6. That the City Auditor is authorized to establish such accounting codes as necessary, to make any accounting changes to revise the funding source for all agreements, contracts, or modifications associated with this Ordinance.

SECTION 7. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this Ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.