

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: JEREMY GUNDY, DEPUTY DIRECTOR, FIELD SERVICES,
TRANSPORTATION AND PUBLIC WORKS
SUBJECT: APPROVAL – SECOND AMENDMENT TO BLANKET PURCHASE
ORDER 169264 TO EXTEND THE TERM ONE-YEAR AND
INCREASE COMPENSATION WITH IRIS GROUP HOLDINGS
LLC, DBA EVERON, LLC

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Transportation and Public Works (TPW) and Finance Departments that the Council, by resolution, approve the Second Amendment to Blanket Purchase Order (BPO) 169264 with Iris Group Holdings LLC, dba Everon, LLC, Kansas City, Missouri, to extend the term one-year and increase compensation is the amount of \$125,000, for a total not to exceed amount of \$403,500.

EXECUTIVE SUMMARY

The City requires services supporting building fire sprinklers. Fire sprinkler inspection, maintenance, and repair services are provided to various City departments, including but not limited to, Police (SRPD), Fire (SRFD), TPW, Finance, and Water Departments.

BACKGROUND

The City uses a licensed contractor to maintain compliance with all applicable National Fire Protection Association (NFPA) Standards to ensure the proper operation of installed fire suppression systems and the safety of the equipment, workplace, and staff in the event of a fire. Services provided under this contract include providing all qualified labor, materials, replacement parts, and equipment. In addition, the contractor will perform inspections, routine testing and maintenance, and repair of fixed fire suppression systems.

BPO #169264 was issued to The ADT Security Corporation, dba ADT Commercial LLC, on May 22, 2023. On July 19, 2024, the City was notified that the company name had changed to Iris Group Holdings LLC, dba Everon LLC. The Purchasing Division has updated the BPO to reflect the new company name.

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PRIOR CITY COUNCIL REVIEW

On April 25, 2023, the City Council approved the use of pricing from the OMNIA Partners cooperative agreement number R220701 and the issuance of a two-year BPO with three (3) one-year extension options, for a total amount not to exceed \$185,000 with a 10% contingency in the amount of \$18,500.

ANALYSIS

Iris Group Holdings LLC, dba Everon LLC, has provided the City with an extension proposal with an average increase of 13.43% per inspection. Iris Group Holdings LLC, dba Everon LLC, justifies this increase based on an increase in prevailing wage labor rates and, at some inspection locations, a correction was made to the time that it takes to complete the inspection, as it was underestimated when the BPO was established in 2023. This is the first price increase since the BPO was established.

See PO History Below:

<u>Award/ Amendment</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Award Authority</u>
BPO Award	April 25, 2023	Award of a two-year BPO with three one-year extension options	\$203,500	City Council
First Amendment	May 21, 2024	Add compensation	\$75,000	City Manager
Second Amendment	Pending	Extend the term one year and increase compensation	\$125,000	City Council
Total Cumulative Contract Value Pending			\$403,500	

The BPO expires on May 22, 2025, and this is the first extension option.

Under the City's Purchasing Policy, City Code 3-08-110(A) Award Authority, this modification requires approval by the City Council.

FISCAL IMPACT

Funds for this expense are included in the Fiscal Year 2024-25 adopted budget within various charge keys as a regular operating expenditure and are expected to be included

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in subsequent years' budget proposals when presented to the City Council.

ENVIRONMENTAL IMPACT

The Council finds that pursuant to CEQA Guidelines Section 15378, the proposed action is not a "project" subject to the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the proposed action is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution
- Exhibit A - Extension Proposal

PRESENTER

Doug Williams, Facilities Maintenance Coordinator