

MEMORANDUM

TO: Clackamas County Board of County Commissioners (BCC)
FROM: Rodney Cook, Director, Health, Housing & Human Services
RE: Contract for On-call Hotel Rooms with Dirgesh LLC, dba Econo Lodge Southeast
DATE: May 31, 2023

REQUEST: The Health, Housing & Human Services Department (H3S) is seeking to answer questions and address concerns raised by the Board about the renewal contract with Dirgesh LLC, dba Econo Lodge Southeast for on-call hotel rooms for temporary housing or emergency shelter. In addition to the opportunity to answer questions and address concerns, staff are also seeking Board approval to put the revised renewal contract on the Board's June 1, 2023, Consent Agenda.

BACKGROUND: At County Administrator Issues on May 16, 2023, H3S staff sought Board approval to place a renewal contract with Dirgesh LLC, dba Econo Lodge Southeast, on the May 18, 2023, Board Consent Agenda. During discussion of this request, the Board raised a number of questions and concerns about the agreement. Specifically, the Board had questions about the underlying procurement process for this contract and the process for verifying amounts billed for repairs. It also had concerns about the value the County was getting for the nightly room rate as it relates to the overall condition of the property.

The underlying procurement authority for the current contract and the renewal contract is based on a Request for Quotes (RFQ) carried out between August and December of 2022. That procurement yielded proposals from two hotels, including Dirgesh LLC. The County initiated contracts with both hotels, at a room-night rate of \$100 per night with Diresh LLC and \$125 per night with the other hotel. These rates are competitive relative to the market rate for hotel room accommodations in Clackamas County. Regarding the terms related to damages, those costs are paid on a cost-reimbursement basis for expenses outside of normal wear and tear. To be reimbursed for these costs the vendor must provide supporting documentation, consistent with county accounts payable practices.

In response to concerns the Board raised about the overall condition of the property and its impact on the surrounding community, staff engaged the owner about the need for revised contract terms. The result of that engagement is a revision of what was Section 27. Inspections. That section is now titled 27. Inspections/Good Neighbor Efforts and includes provisions related to the upkeep of the asset by the owner and ensuring that the "[premises] remains at all times clean and free of debris, trash, graffiti, abandoned vehicles, or other unsightliness."

Respectfully Submitted,

Rodney Cook, Director