

Rodney A. Cook Director

September 12, 2024

BCC Agenda Date/Item: \_\_\_\_\_

Board of County Commissioners Clackamas County

Approval of Amendment #2 increasing the value of a Cooperation Agreement with Clackamas Service Center for the West Building Expansion Project. Amendment value is \$250,000 for approximately 2 months. Agreement value is increased to \$1,200,000 for approximately 3 years. Funding is through U.S. Department of Housing & Urban Development Community Development Block Grant funds. No County General Funds are involved.

Previous Board Action/Review	October 29, 2020 – BCC approval of application for Community Development Block Grant (CDBG) Cares Act funding. November 4, 2021 – BCC approval of Cooperation Agreement with CSC. August 10, 2023 – BCC approval of Amendment 1 September 10, 2024 – Briefed at Issues				
Performance Clackamas	<ol> <li>Increase self-sufficiency for our clients.</li> <li>Ensure safe, healthy and secure communities.</li> </ol>				
Counsel Review	Yes	<b>Procurement Review</b>	No		
Contact Person	Korene Mather	Contact Phone	971-806-7413		

**EXECUTIVE SUMMARY**: The Housing and Community Development Division of the Health, Housing and Human Services Department requests the approval of Amendment #2 to Cooperation Agreement with Clackamas Services Center (CSC) for the West Building Expansion Project. This project will significantly expand and improve the homeless services in northern Clackamas County.

The CSC Homeless Services Center provides meals, groceries, showers, clothing, hygiene items, and mail services, as well as medical and dental services, to our most vulnerable neighbors in need. The CSC Homeless Services Center Expansion Project will provide the space needed to expand CSC programing to better meet the growing needs of the community.

On July 20, 2021, the project was awarded \$650,000 Community Development Block Grant (CDBG) Cares Act funding following a solicitation for project proposals. On August 10, 2023, CSC was awarded and an additional \$300,000 in CDBG funds as the competitive bids for the project came in much higher than anticipated (consistent with inflationary cost increases seen across the entire construction industry from 2020 - 2023). The project is nearing completion, but a number

of unforeseen factors have increased costs. This includes electrical upgrades required by Portland General Electric (a new transformer and underground drilling for the connection)..

Because Clackamas Service Center had already contributed more than double the required project match, they were unable For Filing Use Only

to fill this funding gap without compromising the budget they set aside for program operations. CSC has already contributed over \$500,000, or 42% of the total project costs, in cash and in-kind resources for the project, far above the 20% match required by the county for CDBG-funded projects.

Amendment 2 will add an additional \$250,000 of CDBG funds to complete this project.

**RECOMMENDATION:** Staff recommends BCC approval of Amendment #2 of the Clackamas Service Center Cooperation Agreement.

Respectfully submitted,

Rodney A. Cook

Rodney<sup>4</sup>A. Cook, Director Health, Housing & Human Services

# Contract Amendment Health, Housing and Human Services Department

H3S Contract Nur	nber <u>H3S #10461</u>	Board Agenda	a Number		
	_		and Date _	8/22/24	
Division	Housing & Co	mmunity Development			Amendment No. <u>2</u>
Contractor	Clackamas Servi	ce Center, Inc. (CSC)			
Amendment Requ	lested By Ste	eve Kelly & Mark Sirois			
Changes:	<ul> <li>Scope of Service</li> <li>Contract Time</li> </ul>	95	⊠ Contra □ Other_	ct Budget	

### Justification for Amendment:

This Amendment #2 updates that certain cooperation agreement ("Agreement") entered into between Clackamas County ("County") and Clackamas Service Center, Inc. ("CSC") on or about November 4, 2021 for purposes of assisting CSC with an expansion of its Annex West Building. This Amendment #2 increases the total amount of Community Development Block Grant Funds ("CDBG") available for the project by an additional \$250,000. The additional funding is necessary due to the costs to complete the project.

This Amendment #2 is effective execution by both parties.

Except as amended hereby, all other terms and conditions of the Agreement remain in full force and effect. The County has identified the changes with *"bold/italic"* font for easy reference.

### AMEND Article II, Consideration, Subsection A:

A. The County agrees to provide CDBG funds toward the Project in a sum not to exceed <u>\$950,000.00</u> ("CDBG Funds"). The CDBG Funds allocated for the Project will be paid directly to any contractor hired by County to perform the work on the Project ("Contractor") upon full execution of a construction contract. CSC agrees to pay all Project costs incurred in excess of the CDBG Funds, including any change orders or other additional expenses related to the construction contract. Project costs include, but not limited to, construction costs permitted under the contract with the Contractor to complete the Project as well as approved change orders. CSC is further responsible for providing a minimum 20% match contribution towards the cost of the Project costs, as detailed in Article IV, below.

The parties anticipate that the total costs of completing the Project will not exceed the sum of \$1,500,000 dollars. If, following receipt of construction bid proposals as part of the County's public bid process, either party determines the Project cannot be completed with available funds, the County and CSC agree to negotiate, in good faith, a possible modification of the Project or this Agreement to accommodate funding limitations. If the parties are unable to reach an agreement as to a modified Project or amendment to the Agreement, this Agreement shall terminate, the parties shall bear their own costs incurred as of the date of termination, and the parties shall have no further obligations regarding this Agreement.

# TO READ:

A. The County agrees to provide CDBG funds toward the Project in a sum not to exceed <u>\$1,200,000.00</u> ("CDBG Funds"). The CDBG Funds allocated for the Project will be paid directly to any contractor hired by County to perform the work on the Project ("Contractor") upon full execution of a construction contract. CSC agrees to pay all Project costs incurred in excess of the CDBG Funds, including any change orders or other additional expenses related to the construction contract. Project costs include, but not limited to, construction costs permitted under the contract with the Contractor to complete the Project as well as approved change orders. CSC is further responsible for providing a minimum 20% match contribution towards the cost of the Project costs, as detailed in Article IV, below.

The parties anticipate that the total costs of completing the Project will not exceed the sum of *\$1,550,000 dollars*. If, following receipt of construction bid proposals as part of the County's public bid process, either party determines the Project cannot be completed with available funds, the County and CSC agree to negotiate, in good faith, a possible modification of the Project or this Agreement to accommodate funding limitations. If the parties are unable to reach an agreement as to a modified Project or amendment to the Agreement, this Agreement shall terminate, the parties shall bear their own costs incurred as of the date of termination, and the parties shall have no further obligations regarding this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment #2 to be executed by their duly authorized officers.

# CLACKAMAS SERVICE CENTER, INC.

*Jill A Ors* Orr, Executive Director

# **CLACKAMAS COUNTY**

Commissioner: Tootie Smith, Chair Commissioner: Paul Savas Commissioner: Martha Schrader Commissioner: Mark Shull Commissioner: Ben West

August 19, 2024	
Date	
8800 SE 80th Ave,	
Street Address Portland, OR 97206	
City/State/Zip	
<u>971-236-2777</u>	1
Phone	/ Fax

**CLACKAMAS COUNTY:** 

Tootie Smith, Chair

Date

COUNTY COUNSEL Approved to Form:

Andrew Naylor

08/20/2024

Date