



108-0112024-002

Agenda Item **No. 5(d)**
Meeting of January 7, 2025

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Thor Kaslofsky, Executive Director

SUBJECT: Authorizing a Personal Services Contract between the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, acting in its capacity as administrator of Community Facilities District No. 1 (South Beach), and Korotkin Associates, a California corporation, to provide landscape maintenance and related services in Community Facilities District No. 1 (South Beach) for an initial term of three years with one option to extend for up to an additional three years, in an amount not to exceed \$1,823,152; Former Rincon Point-South Beach Project Area

EXECUTIVE SUMMARY

The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (commonly known as the Office of Community Investment and Infrastructure, or “OCII”) acts as the legislative body for community facilities districts established by the former San Francisco Redevelopment Agency (“Former Agency”). This includes Community Facilities District No. 1 (South Beach) (“CFD No. 1”), established by the Former Agency in 1988 to fund the cost of installation and maintenance of streetscape and plaza improvements constructed in the former Rincon Point South Beach Redevelopment Project Area. OCII is responsible for engaging landscape maintenance services within the CFD No. 1 area.

On March 7, 2024, OCII issued a Request for Proposals (“RFP”) to provide plaza and streetscape maintenance and related services within CFD No. 1. OCII received five complete proposals in response to the RFP. An OCII evaluation panel evaluated and scored the proposals in accordance with the criteria set forth in the RFP. Staff recommends the selection of Korotkin Associates (“Contractor”) based on its qualifications, experience, and proposed budget, and execution of a contract with Korotkin Associates to provide the requested services.

London N. Breed
MAYOR

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EXECUTIVE DIRECTOR

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The proposed personal services contract ("Contract") with Korotkin Associates, a Bayview-based Small Business Enterprise ("SBE") certified by the State of California, would provide landscape maintenance and related services to CFD No.1 for an initial three-year term, with one three-year option to extend, for a total not-to-exceed amount of \$1,823,152 (which includes \$1,000,000 for the initial three-year term and \$823,152 for the optional up-to three year extension). See Attachment A: Contract with Korotkin Associates. The special taxes collected for CFD No. 1 will pay for all costs relating to OCII's operation and management of CFD No. 1, including the Contract.

Staff recommends approval of a Personal Services Contract with Korotkin Associates for landscape maintenance and related services within CFD No. 1.

BACKGROUND

In 1988, the Former Agency established CFD No. 1 by Resolution Nos. 186-88 through 191-88 according to Government Code Section 53311 *et seq.* (commonly known as the Mello-Roos Community Facilities Act of 1982 ("Mello-Roos Act")), to fund construction and maintenance of plaza and streetscape improvements in the Rincon Point-South Beach Redevelopment Project Area. The improvements within CFD No. 1 represent a significant capital investment to the district's property owners and are a highly visible amenity for the area. In its role as legislative body and administrator of CFD No.1, OCII is responsible for maintaining this investment through the selection of a well-qualified landscape maintenance firm whose budget for performing the services is sufficient to provide high-quality services.

DISCUSSION

On March 7, 2024, OCII issued an RFP for landscape maintenance and related services on behalf of CFD No. 1.

Contractor Outreach, Evaluation and Recommendation

Outreach

OCII advertised the RFP on the OCII website, the City and County of San Francisco's ("City") "Bids and Contracts" website and in the City weekly bids newsletter. OCII also advertised the RFP in the Small Business Exchange and the Bayview newspaper. Staff emailed an announcement of the RFP to 76 businesses and organizations, including numerous SBEs, of which 15 SBEs were certified by the City. The announcement included a link to the RFP. Nine SBEs registered for the RFP, and four firms attended the March 20, 2024 pre-bid conference to answer questions and to review the provisions of the RFP. On March 27, 2024, staff conducted a site tour. In addition, staff received and posted written responses to questions from potential RFP respondents. OCII received five complete proposals, one each from (1) 1 Original Construction, (2) Forster & Kroeger Maintenance, (3) Korotkin Associates, (4) K&K JL Services, and (5) Landscape Pros ML.

Evaluation Process

The RFP Selection Criteria used in evaluating proposals were:

- Responsiveness and approach to Scope of Services including a plan to work cooperatively with the Public Works Department on tree maintenance under the Department's jurisdiction. (25 points)
- Qualifications and experience to undertake the Scope of Services. (25 points)
- Strength of the budget proposal. (25 points)
- Good faith effort to comply, with the OCII's 50% SBE goal, applicable both to bidder and to any subcontractors included in bidder's Proposal. (10 points)
- Demonstrated ability to promptly respond to emergencies, meet deadlines, and ability to evaluate and prioritize maintenance tasks to minimize potential public safety risks (10 points)
- Demonstrated ability interacting courteously and professionally with the public, diverse populations, and other organizations and agencies (5 points)

Korotkin Associates

Korotkin Associates is a Bayview-based WBE/SB/LBE landscaping firm formed in 1981. Sharon Korotkin is the firm's founder and president. Korotkin Associates services include management and maintenance of municipal, commercial and residential properties, and landscape consultation, design, and construction. Korotkin Associates has extensive, relevant experience and has worked with the City Public Works and Recreation and Parks. It will meet OCII's hiring goal of 50% SBE.

Korotkin Associates has two subcontractors. Its janitorial subcontractor is Mansfield & Mansfield, a Bayview based Minority-owned SBE. Its arborist is Arborist Now, an SBE located in San Francisco.

Contractor Recommendation

Based on the selection criteria in the RFP, the OCII staff evaluation panel scored Korotkin Associates highest among the five responding firms. Thus, OCII staff recommends the selection of Korotkin Associates to provide landscape maintenance and related services for CFD No. 1 pursuant to the Contract which is summarized below.

Proposed Maintenance Contract Terms

Duration

The proposed Contract establishes an initial term of three years, beginning January 8, 2025, with an option to extend for up to an additional three years at the discretion of the Executive Director. If extended for the maximum option term, the total duration of the Contract would be six years, terminating on January 7, 2031.

Contract Scope of Services

The Scope of Services includes the following four categories of maintenance and related services:

Recurring Maintenance and Ordinary Repairs

Contractor will perform ordinary landscape and streetscape maintenance, including maintenance and replacement of plantings; plaza furniture maintenance; trash and litter removal including from trash bins located in plazas; pest control; bollard, paver, and cobblestone re-setting, re-leveling and maintenance; graffiti removal; irrigation and lighting systems maintenance.

Reserve Budget Estimate

Contractor will prepare, or engage a subcontractor to prepare, an estimated annual reserve budget necessary to address long-term repair/replacement work for the Facilities. This estimate will be advisory for OCII in its administration of CFD No. 1 and setting future assessment levels.

Performance or Administration of As Needed Repair/Replacement Services

On an on-going basis, Contractor will assess the need for repair or replacement work to address as-needed (i.e., unanticipated) incidents of damaged or deteriorated Facilities. The Contractor will report the occurrence of these incidents to OCII, and will prepare a cost to repair or replace, as applicable.

If the estimated cost to repair is \$5,000 or less, Contractor may submit a proposal to OCII to perform repairs itself. If the estimated cost to repair is greater than \$5,000, the Contractor will advise OCII of the need for repair, prepare a scope of work and not-to-exceed estimate to be reviewed by OCII, administer a bid for the work in compliance with the applicable public contracting requirements (including advertising on the State's website, receiving sealed bids, and choosing the lowest responsive bidder for the proposed work), accept the bid, negotiate and execute the contract, and oversee the work to completion.

Deferred Capital Repairs

OCII Staff identified one-time deferred repairs needed for the Facilities, which include ("Capital Repairs"):

- Resetting/releveling/replacement of cobblestones sections;
- Stabilization or replacement of damaged bollards;
- Revitalization of plaza benches;
- Addressing areas of failing turf;
- Assessments for potentially upgrading the electrical system;
- Assessments for potentially upgrading the irrigation system;
- Replanting of trees in empty tree wells.

Similar to As-Needed Repairs with costs over \$5,000, the Contractor will prepare a scope of work (or multiple scopes, at Contractor's discretion) and not-to-exceed estimate(s) to be reviewed and approved by OCII, and thereafter administer a bid for Capital Repair work, in compliance with the applicable public contracting requirements, accept the bid, negotiate and execute the contract, and oversee the work to completion. Capital Repairs will be performed during the initial three-year contract term.

Budget

As discussed further below, the Contract budget establishes amounts or limits for each of the four categories of services above, with an overall maximum contract amount of \$1,823,152 (which includes \$1,000,000 for the initial three-year term and \$823,152 for the optional up-to three-year extension). Since the Capital Repairs will be performed during the initial three-year Contract term, the budget for this period is higher than the budget for the second three years. All funds for the Contract will be paid by CFD No. 1 special taxes and no other OCII funds will be used for the Contract.

Recurring Maintenance/Ordinary Repairs- \$646,842

- To be performed on a monthly fixed-fee basis. The initial proposed monthly fee is \$6,983 plus a \$16,000 allowance for tree maintenance, with a proposed annual increase based on the lesser of 3% or the increase in Consumer Price Index ("CPI") each year over the term of the Contract. The total fixed-fee amount for the full Contract duration is \$646,842.

Reserve Budget Preparation Estimate- \$10,000

- Contractor shall, based on its experience with similar Facilities and/or with the input of outside expertise, prepare an estimated annual reserve budget necessary to address long-term repair/replacement work for the Facilities. Preparation is a one-time payment of \$10,000 to provide the estimate.

As-Needed Repairs- \$365,400

- Both Minor (up to \$5,000) and Major (greater than \$5,000) As-Needed Repairs will be funded from Contingency after Executive Director approval. Unused As-Needed Repairs budget and staff cost amounts will roll over and be available in the following year to reimburse staff costs and/or Contingency costs in that year, at the Executive Director's discretion.

Capital Repairs- \$800,000

- Repairs will be funded from unallocated CFD fund balance after approval by the Executive Director. Contractor will provide an estimate of the cost of performing the Capital Repairs work for OCII approval, and the actual cost of the work will be established through the bidding process administered by the Contractor.

Attachment C of the Contract, reproduced on the following page, provides further detail on the Contract Budget.

Contract Budget

INITIAL CONTRACT TERM		
Recurring Maintenance Services	Maximum Monthly Compensation	Maximum Annual Compensation*
Year 1 1/8/2025 to 1/7/2026	\$ 6,983	\$ 100,000
Year 2 1/8/2026 to 1/7/2027	\$ 7,192	\$ 103,000
Year 3 1/8/2027 to 1/7/2028	\$ 7,408	\$ 106,090
Sub-total Recurring Maintenance Services		\$ 309,090
As-Needed Repair (Minor/Major)/Replacement Services***		\$ 180,000
Preparation of Facilities Reserve Budget (One Time)		\$ 10,000
Capital Repairs		\$ 500,000
Initial Contract Term Maximum Amount**		\$ 1,000,000
OPTIONAL CONTRACT EXTENSION TERM		
Recurring Maintenance Services	Maximum Monthly Compensation	Maximum Annual Compensation
Year 1 1/8/2028 to 1/7/2029	\$ 7,631	\$ 109,273
Year 2 1/8/2029 to 1/7/2030	\$ 7,860	\$ 112,551
Year 3 1/8/2030 to 1/7/2031	\$ 8,096	\$ 115,928
Sub-total Recurring Maintenance Services		\$ 337,752
As-Needed Repair (Minor/Major)/Replacement Services***		\$ 185,400
Capital Repairs		\$ 300,000
Optional Extension Contract Term Maximum Amount		\$ 823,152
MAXIMUM CONTRACT TERM AMOUNT		\$ 1,823,152
* – Includes Annual Tree maintenance cost. ** – Rounded up from \$999,090 *** – Only expended after OCII approval, to address As-Needed Repair/Replacement Services. Unused amounts carry over to next year. Amounts may be increased in the Executive Director's discretion to the extent CFD1 funds allocated to Administrative Expenses are not fully used in a given Contract Year.		

SMALL BUSINESS ENTERPRISE PROGRAM COMPLIANCE

Contracting teams must reflect a commitment and ability to successfully adhere to OCII policies regarding SBE, nondiscrimination in contracts and benefits, minimum compensation and prevailing wage labor standards, and health care accountability. Korotkin Associates is a SBE certified by the State of California.

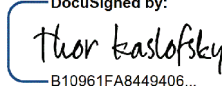
CALIFORNIA ENVIRONMENTAL QUALITY ACT

Approval of the Contract with Korotkin Associates is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15301 because it authorizes the operation, repair, maintenance or minor alteration of existing community facilities or topographical features with negligible or no expansion of existing uses.

STAFF RECOMMENDATION

Staff recommends the Commission approve the execution of a Contract with Korotkin Associates, a California limited liability company, for landscape maintenance and related services in CFD No. 1, for an initial term of three years with one option to extend for up to three years at the discretion of the Executive Director, for a total aggregate amount for the entire Contract term not to exceed \$1,823,152.

(Originated by Marc Slutzkin, Deputy Director)

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Thor Kaslofsky
Executive Director