



**Berkeley Housing Authority**

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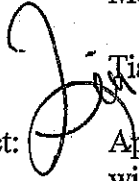
*Office of the Executive Director*

Item 5C

CONSENT CALENDAR

January 12, 2012

To: Honorable Chairperson and  
Members of the Berkeley Housing Authority Board

From:  Tia M. Ingram, Executive Director

Subject: Approve a resolution authorizing the Executive Director to amend the contract with Sterling Co's Inc., for Housing Quality Standard inspections (Section 8) and Uniform Physical Condition Standards inspections (Public Housing), to increase the maximum spending authority by \$50,000, not to exceed \$176,900.

RECOMMENDATION

Approve a resolution authorizing the Executive Director to to amend the contract with Sterling Co's Inc., for Housing Quality Standard inspections (Section 8) and Uniform Physical Condition Standards inspections (Public Housing), to increase the maximum spending authority by \$50,000, not to exceed \$176,900.

BACKGROUND

The Berkeley Housing Authority is required to perform at least one inspection each year, more as necessary, to ensure that every assisted meets minimum standards, and provides a safe decent living environment for the family.

The "Housing Quality Standards" govern units leased in the Section 8 programs (Tenant and Project Based Vouchers, and Single Room Occupancy Moderate Rehabilitation Program) and the Uniform Physical Condition Standards (UPCS) govern units in the Low Income Public Housing Program.

BHA has, via periodic solicitations, outsourced this function to Sterling Co's Inc. since 2005 with very positive results. Contracting with Sterling for inspection services has proven to be cost effective without any reduction in service level, for BHA and a number of other small, mid and large program housing authorities.

The current contract was awarded in 2009 for a two year term, with a one-year renewal option. We remain very pleased with Sterling, and anticipate returning to the Board in May to exercise the option.

The increase in contract cost is the result of the demand for inspection services exceeding our initial expectations. This increase is attributed to: (a) the high rate of units failing the initial and in some cases second inspection, necessitating as many as 3 inspection attempts before a unit is deemed in compliance with basic HUD-deemed housing quality standards; (b) demand for new

contracts – the result of households transferring into the City of Berkeley; and (c) demands for new contracts – the result of our issuing vouchers to families on the wait list. We are attempting to manage (reduce) the need for additional inspections by stressing to owners the importance of preparing the unit before the unit inspection and ensuring the inspector has access to the unit and other areas of the property where water heaters and furnances may be located; and with Sterling to minimize “no shows” by phoning the family before leaving the site, and having the inspector “loop” back at the end of the day to units where no one was home at the initial attempt.

It is also important to note, that Sterling partnered with us in addressing our financial crisis, voluntarily reducing the per inspection cost – to a level comparable to the much larger Oakland Housing Authority.

#### FISCAL IMPACTS OF RECOMMENDATIONS

The \$50,000 being requested as increase in Sterling contract is included in the adopted FY201-12 budget for inspection services.

#### CONTACT PERSON

Tia M. Ingram, Executive Director, 981-5471  
Jesy Yturralde, Finance Manager, 981-5488

#### Attachments:

1. Resolution

BERKELEY HOUSING AUTHORITY  
RESOLUTION NO. 12-\_\_\_\_\_

AUTHORIZING THE EXECUTIVE DIRECTOR TO AMEND THE CONTRACT WITH STERLING COS., INC, INCREASING THE SPENDING AUTHORITY BY \$50,000 FOR AN AMOUNT NOT TO EXCEED \$176,900.

WHEREAS, the Berkeley Housing Authority is required to perform an inspection of every assisted unit at least once each year, more frequently if necessary, to ensure the unit meets minimum standards and provides a safe and decent living environment for the family; and

WHEREAS, the existing contract for inspection services was effective July 1, 2010 and expires on June 30, 2012; and

WHEREAS, staff relied on best estimates in determining the number of initial (new contract), annual, special, and "reinspect" inspections that would be required for the year; and

WHEREAS, the demand for inspection services has exceeded our estimates, and additional inspection services are required; and

WHEREAS, Sterling Cos. Inc. has demonstrated its willingness to partner with BHA by providing quality service, ramping up inspection capacity as needed to ensure BHA's highest possible rating under SEMAP, and reducing their per inspection fee; and

WHEREAS, there is an additional six months remaining of the term of the existing contract.

NOW THEREFORE, BE IT RESOLVED, that the Executive Director is authorized to amend the contract with Sterling Co's Inc, for Housing Quality Standard inspections (Section 8) and Uniform Physical Condition Standards inspections (Public Housing), to increase the maximum spending authority by \$50,000, not to exceed \$176,900.

The foregoing Resolution was adopted by the Board of the Berkeley Housing Authority on January 12, 2012 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Attest: \_\_\_\_\_  
Tia M. Ingram, Secretary