



ADMINISTRATION COMMITTEE

Administration Building
10844 Ellis Avenue
Fountain Valley, CA 92708
(714) 593-7433

Agenda Report

File #: 2021-1926

Agenda Date: 11/10/2021

Agenda Item No: 7.

FROM: James D. Herberg, General Manager
Originator: Lorenzo Tyner, Assistant General Manager

SUBJECT:

PROPERTY MANAGEMENT SERVICES FOR 18350 MT. LANGLEY STREET AND 18368-18375-18381-18384 BANDILIER CIRCLE, FOUNTAIN VALLEY

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Approve Amendment No. 5 to the sole source agreement with The Muller Company for Property Management Services for 18350 Mt. Langley Street and 18368-18375-18381- 18384 Bandilier Circle in Fountain Valley, for the period of January 1, 2022 through January 31, 2023 for a management fee of \$3,200 per month plus other incurred expenses, including an additional renewal period of twelve (12) months.

BACKGROUND

The Orange County Sanitation District (OC San) Board of Directors previously approved a sole source agreement with The Muller Company for property management services for District-owned buildings at 18350 Mt Langley Street and 18368-18375-18381-18384 Bandilier Circle in Fountain Valley. The properties are occupied by staff and commercial tenants with leases that expire in 2021 and 2023.

OC San purchased these properties as part of its overall strategy to build its Headquarters facilities and maximize the land available for treatment plant process area. This strategy is not fully implemented as OC San has just begun construction on the new Headquarters and is completing a study of long-term options for its laboratory facilities. Once the study is complete, OC San will have a better vision of its long-term property needs. Pending these decisions, OC San requires property management services.

RELEVANT STANDARDS

- Protect OC San assets

PROBLEM

OC San-owned properties have commercial tenants and there is a need to professionally manage them utilizing services such as maintenance, tenant relations, and repairs.

PROPOSED SOLUTION

Extend the current sole source property management agreement until the properties are repurposed.

TIMING CONCERNS

The current property management agreement expires on December 31, 2021.

RAMIFICATIONS OF NOT TAKING ACTION

OC San will lose continuity of care of the property and of services to tenants.

PRIOR COMMITTEE/BOARD ACTIONS

July 2020 - Approved Amendment No. 4 with the The Muller Company, LLC for Property Management Services to extend the services for ten months, from September 1, 2020 through June 30, 2021 with an option to extend through December 31, 2021 along with all terms and provisions of the Agreement remaining unmodified and in full force and effect.

May 2019 - Approved Amendment No. 3 with The Muller Company, LLC for Property Management Services to extend the services for twelve months, from September 1, 2019 through August 31, 2020 with all terms and provisions of the Agreement remaining unmodified and in full force and effect.

September 2018 - Approved Amendment No. 1 with The Muller Company for Property Management Services for an additional management fee plus other incurred expenses, for the addition of Sanitation District acquired properties on Bandilier Circle and Pacific Street including two additional renewal periods of six months each.

February 2018 - Approved a sole source agreement with The Muller Company for Property Management Services, for the period of March 1, 2018 through August 31, 2018 for a management fee plus other incurred expenses, including two additional renewal periods of six months each.

ADDITIONAL INFORMATION

Monthly expenses for services such as utility bills and repair work vary month to month. All expenses will be reviewed and approved by OC San staff.

CEQA

N/A

FINANCIAL CONSIDERATIONS

The property management costs will be offset by rents collected on the commercial leases.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Amendment No. 5