

Date: 4/4/12  
Submitted in HCED Committee  
Council File No: 12-0194  
Item No.: 20

REPORT FROM

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER** *Report from the CAO*

Date: April 3, 2012  
CAO File No. 0220-00540-0989  
Council File No. 12-0194  
Council District: All

To: The Mayor  
The Council

From: Miguel A. Santana, City Administrative Officer *PJK BN*

Reference: Community Development Department Transmittal dated January 10, 2012; Additional information received through April 3, 2012

Subject: **AUTHORIZATION TO RELEASE A REQUEST FOR PROPOSALS FOR HOUSING-RELATED TECHNICAL SERVICES AND EXTENSION OF CURRENT CONTRACTS**

**SUMMARY**

The Los Angeles Housing Department (LAHD) requests authority to release a Program Year 2012-15 Request for Proposals (RFP) for technical services to support various programs within the LAHD. The LAHD also requests authority to extend 22 existing Technical Services Contracts, summarized in Attachment A of this report, for up to 15 months until new bidder selections can be made under the RFP. Contract authority under the 2009 RFP (C.F. 09-0374) expired for some contractors September 30, 2011 and others on December 31, 2011. A new RFP is required to establish a list of qualified contractors in up to 15 service categories detailed in Attachment B that support the LAHD's Housing Development, Preservation, Homeownership, Portfolio Management and Lead Programs. The Department will subsequently request initial contracts for a period of one year with two one-year renewal options, subject to satisfactory contractor performance, future funding and community and City needs. LAHD indicates that the City Attorney has approved the draft RFP and proposed contract amendment template. Our Office supports LAHD's recommendations relative to the previous technical assistance contracts; however, details regarding the requested change to the scope of work and funding associated with David Paul Rosen and Associates, a contract authority granted separately from the 2009 RFP, were not available for inclusion in this report. It is recommended that LAHD report separately to the Mayor and Council regarding that extension and funding request.

The recommended actions will use grant funding of \$767,456 from the HOME Investment Partnership Program, Neighborhood Stabilization Program, and the Lead Hazard Reduction Demonstration and Lead-Based Paint Hazard Control Grants. Table 2, Page 4 of the LAHD transmittal dated January 10, 2012 (Transmittal) provides a breakdown of the funding sources per service category. The City Council and Mayor will exercise final authority in the selection of the contractor as well as the allocation of funds to be awarded through this RFP. The anticipated date of contract implementation following the RFP selections is January 2013.

The last RFP for housing-related technical services was completed in 2009, which provided contract authority through September 30, 2011 for eight providers and through December 31, 2011 for 14 providers (identified in Attachment A). To avoid disruption of program services and in the event that the RFP process is delayed, LAHD recommends up to a 15-month extension of the Technical Services contracts. Up to 15 months funding of up to \$153,900 is needed to cover the proposed contract extensions. The Department will use funds from the Neighborhood Stabilization Program and prior-year, previously approved CDBG funding.

### *Request for Proposals*

The Department will select one or more individuals or firms as qualified contractors to perform within the following tentative service categories, which are summarized in Attachment B of this report and further detailed in the RFP (included as an attachment to the Transmittal):

1. Appraisal Services (Residential Real Estate)
2. Architectural Services
3. Construction/Rehabilitation Services
4. Engineering Services (Structural) for Major and/or Small Projects
5. Environmental Assessment Services
6. Geotechnical and Engineering Consultants
7. Inspection, Survey and Analysis for Hazardous Materials (Lead and Asbestos)
8. Laboratory Lead Testing
9. Property Management Services
10. Property Survey Services
11. Real Estate Broker
12. Real Estate Loan Underwriting Services
13. Relocation Services
14. Technical Training Services
15. Title Report Services

The LAHD reports that their outreach efforts will comply with standard City and department procedures. The Department will publish the RFP opportunity in various papers of general circulation and post it on LAHD's website and the City's Business Assistance Virtual Network. All proposals will be screened to ensure that they meet the minimum threshold requirements identified in the RFP. Proposals will then be evaluated by LAHD staff, which may consist of an Assistant General Manager, a Housing Planning and Economic Analyst (HPEA), a Senior HPEA, a Rehabilitation Project Coordinator, a Financial Development Officer II, a Senior Management Analyst (SMA) I and a SMA II. The staff range of expertise includes, but is not limited to: financial and market analysis; policy and program analysis; technical knowledge of housing and rehabilitation and code standards; and, knowledge of state and federal housing rules and regulations. Pages Five and Six of the Transmittal provide a summary of the evaluation criteria.

The LAHD will notify all RFP respondents of the evaluation results. Unsuccessful respondents may appeal procedural issues by submitting a letter to the LAHD within five working days of the postmarked date of the notification. Appeals will be heard before a panel that may consist of the General Manager of the LAHD, or designee, and in-house employees with relevant program experience. The LAHD will return for Mayor and Council approval of the successful RFP respondents, contracting authority and allocation of program funding.

Approval of this request requires a Charter Section 1022 determination; however, LAHD intends to secure the determination prior to executing the contracts because of the uncertain nature of categories of work. It is therefore recommended that LAHD include the status of the 1022 determination when LAHD returns to the Mayor and Council with the results of the subject RFP.

## **RECOMMENDATIONS**

That the Council, subject to the approval of the Mayor, authorize the General Manager, Los Angeles Housing Department (LAHD), or designee, to:

1. Execute second contract amendments to existing contracts with current Technical Services contractors identified in Attachment A, for a twelve or fifteen-month extension period and effective October 1, 2011 or January 1, 2012 as detailed in Attachment A to this report, through December 31, 2012, and authorize the Controller to expend funds up to the amounts detailed in Attachment A subject to receipt by the City of the grant funds;
2. Release a Program Year 2012-15 Request for Proposals for Housing-Related Technical Services, substantially in the form as attached to the LAHD transmittal dated January 10, 2012, subject to City Attorney review and approval as to form and legality, and report back to the Mayor and Council with the RFP results, recommendation for contractor selection, funding amount, Charter Section 1022 determination and any necessary Controller instructions;
3. Request LAHD to report under separate transmittal regarding an extension to the contract with and additional funding for David Paul Rosen & Associates; and,
3. Prepare Controller instructions and any necessary technical adjustments that are consistent with the Mayor and Council actions on this matter, subject to the approval of the City Administrative Officer, and request the City Controller to implement those instructions.

## **FISCAL IMPACT STATEMENT**

There is no impact on the General Fund. The recommendations of this report are in compliance with City Financial Policies in that the full cost of the Request for Proposals and contract amendments will be paid through available special fund sources including the HOME Investment Partnership Program, Community Development Block Grant, Neighborhood Stabilization Program, the Lead Hazard Reduction Demonstration and Lead-Based Paint Hazard Control Grants.

*MAS:KDU:02120110c*

Attachments

**ATTACHMENT A**

**Los Angeles Housing Department  
Technical Services Contract Extensions**

Terms of Performance: October 1, 2011 through December 31, 2012 and January 1, 2012 through December 31, 2012, Second Amendment, Citywide Service Area. Contractors selected through Request for Proposals (C.F. 09-0374)

Service Category	Contract #	CONTRACTOR	Funding Sources			Amount Requested	Original Contract & Amendment Amount	Total Contract Amount	Contract Expiration Date
			LEAD	LEAD	CDBG				
			49E	53Q	424				
Appraisal	C-116852	Gold Coast Appraisals, Inc.				\$0	\$130,000	\$130,000	12/31/2011
Architectural	C-116848	Gonzalez Goodale Architects				\$0	\$50,000	\$50,000	9/30/2011
Construction/ Rehabilitation Services	C-116841	Coleman Construction				\$0	\$15,000	\$15,000	9/30/2011
	C-116928	LAC Electric				\$0	\$15,000	\$15,000	9/30/2011
Engineering Services	C-117770	Miyamoto International				\$0	\$15,000	\$15,000	9/30/2011
Environment Services	C-116842	Rincon Consultants, Inc.				\$0	\$16,500	\$16,500	12/31/2011
Geotechnical Services	C-117018	Converse Consultants				\$0	\$15,000	\$15,000	9/30/2011
Inspection, Survey & Analysis For Hazardous Materials (Lead & Asbestos)	C-116843	Allstate Services		\$21,600		\$21,600	\$72,855	\$94,455	12/31/2011
	C-116844	Barr & Clark	\$23,000	\$6,400	\$15,000	\$44,400	\$128,092	\$172,492	12/31/2011
	C-116846	Lead Tech Environmental Inc.		\$6,500		\$6,500	\$51,757	\$58,257	12/31/2011
	C-117017	Converse Consultants		\$18,000		\$18,000	\$34,858	\$52,858	12/31/2011
Laboratory Lead Testing	C-116847	EMS Laboratories		\$2,400		\$2,400	\$99,914	\$102,314	12/31/2011
	C-117742	City of Long Beach Lab		\$7,000	\$12,000	\$19,000	\$30,500	\$49,500	9/30/2011
Property Management Services	C-117041	International Realty & Investments				\$0	\$56,000	\$56,000	9/30/2011
Property Survey Services	C-116853	Penco Engineering				\$0	\$5,000	\$5,000	9/30/2011
Real Estate Broker Services	C-117625	Altera Real Estate Group				\$0	\$2,500	\$2,500	12/31/2011
	C-117624	Marcus & Millichap				\$0	\$2,500	\$2,500	12/31/2011
Relocation Services	C-116927	Del Richardson & Associates		\$4,000		\$4,000	\$125,000	\$129,000	12/31/2011
	C-116854	Overland, Pacific & Cutler		\$4,000		\$4,000	\$95,000	\$99,000	12/31/2011
	C-116963	Shober Consulting		\$24,000		\$24,000	\$75,000	\$99,000	12/31/2011
Technical Training Services	C-116764	Home Safe		\$10,000		\$10,000	\$53,500	\$63,500	12/31/2011
Title Report Services	C-117016	Orange Coast Title				\$0	\$108,100	\$108,100	12/31/2011
<b>TOTAL AMOUNT</b>			<b>\$23,000</b>	<b>\$103,900</b>	<b>\$27,000</b>	<b>\$153,900</b>	<b>\$1,197,076</b>	<b>\$1,350,976</b>	

**Los Angeles Housing Department  
Request for Proposals (RFP)  
Technical Services Contract – Service Categories**

**1. *Appraisal Services (Residential Real Estate)***

Contractors will provide appraisals prepared according to the Uniform Standards of Professional Appraisal Practice. Contractors may be called upon to evaluate existing residential property, vacant land, proposed new construction projects, rehabilitation projects, mixed-use developments and air rights.

**2. *Architectural Services***

Contractors will prepare preliminary drawings to include conceptual, schematic and design development and provide construction documents as approved by City agencies. Contractors are also responsible for conducting site visits which may include evaluation, consultation and review of housing proposals.

**3. *Construction/Rehabilitation Services***

It is anticipated that the vast majority of projects will be either single-family detached homes (approximately 1200 square feet) or 3-4 unit residential rental properties for low and moderate-income neighborhoods. Contractors are responsible for rehabilitation repairs and construction work as detailed in the scope of work from LAHD.

**4. *Engineering Services (Structural) for Major and/or Small Projects***

Engineering services to be provided may include: structural design modifications to single and/or multi-family residential facilities. Improvements may include; foundation retrofits, roof structure repair, sizing of new structural member, adding or reinforcing existing shear walls, retaining wall design, electrical load evaluations and building permit processing.

**5. *Environmental Assessment Services***

Contractors determine the level of compliance with federal, state and local environmental laws and regulations. The Phase I Environmental Assessment generally involves non-obtrusive research to determine the potential for significant onsite contamination and liability that may result from such a finding. It also recommends further investigation that may be needed on the subject property. If the initial assessment reveals the need for additional work, a Phase II assessment, the contractors and the LAHD will negotiate the additional time and cost to complete prior to any further work being done.

**6. *Geotechnical and Engineering Consultants***

Contractors provide the necessary personnel, equipment and materials to evaluate the geotechnical engineering characteristics of the onsite subsurface soils relative to the proposed development, perform laboratory testing and provide engineering evaluation and analysis.

**7. *Inspection, Survey and Analysis for Hazardous Materials (Lead and Asbestos)***

The Scope of Services has two parts: Part A (Lead) and Part B (Asbestos). Part A: Contractors will conduct a lead based paint inspection as per HUD guidelines. In addition to the lead inspection, the contractor shall conduct a risk assessment on the site with a minimum of four dust wipe samples and one exterior soil sample, for purposes of HUD lead grant data collection. Part B: Contractors shall conduct an inspection for asbestos and interpret the test results and develop a remediation plan with recommendations for containment or abatement.

**8. *Laboratory Lead Testing***

Contractors provide the Lead-Based Paint Hazard Control Program with analysis reports of lead contents in various types of samples including: 1) lead in soil; 2) lead in air; 3) lead in dust wipes; 4) lead in water; 5) Toxicity Characteristics Leaching Procedure extract-liquid; and, 6) Soluble Threshold Limit Concentration extract-liquid.

**9. *Property Management Services***

Contractors will be responsible for: 1) short-term rental to the previous owner/occupant if necessary; 2) management of property after acquisition and up until the transfer to end user/developer; 3) provision of rental survey to determine appropriate rental rates; 4) collection and accounting of rents; 5) drafting of leases and rental agreements; and, 6) managing repairs to properties acquired by the LAHD.

### ***10. Property Survey Services***

Contractors are responsible for providing a survey and survey report of City-owned properties that LAHD is considering for affordable housing and development. Surveys are conducted to ascertain the boundaries of the property and the location of any structures that are on the property. The contractor is also responsible for filing all legal submittals required by the City and County.

### ***11. Real Estate Broker***

Contractors will locate, negotiate and purchase properties in the City for the development of affordable housing. The properties to be acquired may consist of unimproved land, commercial property, single-family residential, multi-family residential and industrial.

### ***12. Real Estate Loan Underwriting Service***

Contractors will provide LAHD with general loan underwriting services for affordable multi-family and single-family housing developments. Underwriters shall render services on an as-needed basis, which may include, but are not limited to several tasks including, but not limited to: 1) Pro forma analysis of development costs, cash flow and operating costs, including direct construction costs; 2) Evaluation of financial stability and development capacity of the developer, including the review and evaluation of financial statements, staffing, current projects and capacity to carry out the project as proposed; and, 3) Evaluation of the interim and permanent financing structure for the proposed developments and make funding recommendations.

### ***13. Relocation Services***

Contractors ensure that persons displaced as a direct result of federal or federally assisted projects are treated fairly and consistently and ensure that the rules of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and Section 104(d) of the Housing and Community Development Act of 1974 are implemented. Contractors review and approve project relocation plans subject to compliance with the URA and Section 104(d) to ensure that displaced persons do not suffer disproportionately.

### ***14. Technical Training Services***

Contractors provide construction training to staff and other LAHD contractors on a periodic basis which may include: construction law, scheduling, project monitoring, Davis Bacon compliance training, general contracting, sustainable development, building codes and regulations and I lead-related construction initial certification.

### ***15. Title Report Services***

Contractors will provide Limited Title Reporting Services, Title Insurance, Trustee Sales Guarantees and Escrow and Recording Services. Title services provide legal ownership information and help to assure that any LAHD loan is appropriately secured.