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**Council File:** [14-1376](#)  
**Council District:** Citywide  
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Honorable Eric Garcetti  
Mayor, City of Los Angeles  
Room 303, City Hall  
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Attention: Mandy Morales, Legislative Coordinator

**COUNCIL TRANSMITTAL: REQUEST FOR AUTHORITY TO EXECUTE A CONTRACT WITH AG PACIFIC CONSTRUCTION AND DEVELOPMENT CORP. FOR THE LOS ANGELES HOUSING + COMMUNITY INVESTMENT DEPARTMENT'S URGENT REPAIR PROGRAM**

**SUMMARY**

The Los Angeles Housing + Community Investment Department (HCIDLA) administers the Systematic Code Enforcement Program (SCEP) – a program designed to prevent the development of dangerous, substandard and/or unsanitary and deficient conditions in multi-family, residential rental units through scheduled habitability inspections and enforcement of federal, State, and local housing and health codes. Under SCEP, HCIDLA inspectors perform systematic habitability inspections of the interior and exterior of the City's 720,000 multi-family residential properties and cites property owners for code violations. Housing Code provisions require property owners to comply with HCIDLA orders to correct cited code violations within 30 days of citation. However, when the conditions present an imminent hazard or danger to the health and safety of the tenants, the property owner must comply and correct the violations within 48 hours. If the property owner fails to make timely repairs of these conditions within 48 hours, the Urgent Repair Program (L.A.M.C. Chapter IV, Article XV, and Section 50.00) allows HCIDLA to intervene, and address and correct these critical habitability violations.

Through a pre-approved, licensed contractor, HCIDLA facilitates the timely repair of cited violations to mitigate or resolve hazardous conditions in compliance with the Housing Code. In most cases, the immediate repair of dangerous code violations eliminates the need to vacate tenants exposed to conditions such as collapsing ceilings or walls, electrical hazards due to faulty wiring, raw sewage spillage or lack of heat in the winter, and reduces the need for the payment of relocation assistance benefits funded by the City.

The Urgent Repair Program has a profoundly positive impact on the residents of multi-family rental housing in the city by protecting them from unsafe and hazardous living conditions for extended time periods, and is a cost-effective means of preserving tenancy and preventing the vacation and relocation of some of the city's most vulnerable residents. In the last program year, the HCIDLA expended an average of \$1,262 per project to improve living conditions in 80 multi-family residential rental units, many with small children and elderly relatives. The most common repairs included installation or replacement of water heaters, replacement of heating systems, sewage cleanup, trash and debris removal, and repair of water damage in residential rental units.

On October 28, 2014, the Mayor and City Council authorized HCIDLA to release a Request for Proposals (RFP) for Urgent Repair Program construction services (C.F. 14-1376) and instructed HCIDLA to report back on its contractor recommendation.

HCIDLA hereby submits recommendations for AG Pacific Construction and Development Corp. to serve as the Urgent Repair Program contractor to provide the requested services. The contract will be effective for a one-year term beginning April 1, 2015, with two one-year renewal options. The amount of funding for the contract is anticipated at \$285,000 yearly, subject to Community Development Block Grant (CDBG) funding allocated to the program within the 41<sup>st</sup> Program Year Consolidated Plan (41<sup>st</sup> PY Con Plan) (C.F. 14-1382).

### **RECOMMENDATIONS**

The General Manager, Los Angeles Housing + Community Investment Department (HCIDLA), respectfully requests that:

1. Your office schedule this transmittal at the next available meeting(s) of the appropriate City Council Committee(s) and forward it to City Council for review and approval immediately thereafter;
2. The City Council, subject to the approval of the Mayor, take the following actions:
  - a. Authorize the General Manager of HCIDLA, or designee, to negotiate and execute a contract with AG Pacific Construction and Development Corp. up to the amount of Community Development Block Grant funds allocated to the Urgent Repair Program in the 41<sup>st</sup> Program Year Consolidated Plan effective for a one-year term beginning April 1, 2015, with two one-year renewal options, subject to the approval of the Mayor and City Council of the 41<sup>st</sup> Program Year Consolidated Plan and approval of the City Attorney as to form;

- b. Authorize the General Manager of HCIDLA, or designee, to prepare Controller's instructions for any necessary technical adjustments consistent with the Mayor and Council action on this matter, subject to the approval of the City Administrative Officer, and authorize the Controller to implement the instructions.

## **BACKGROUND**

The Urgent Repair Program (URP) was established by the City in 1997. The program was created to address critical habitability problems in multi-family buildings where landlords or property owners fail to repair conditions that threaten the immediate health or safety of tenants. The program follows an inspector's issuance of a 48-hour correction notice to the property owner for violations that pose health or safety threats to tenants. HCIDLA issues these Orders, along with the Department of Building and Safety, the Fire Department and the Los Angeles County Health Department. If the property owner fails to correct the violations within a timely manner, the ordinance authorizes HCIDLA to make the repairs through a licensed contractor. Typical repairs include the cleanup of excessive sewage, the restoration of hot water, roof and structural repairs, the repair of unsafe stairways and the provision of basic fire safety protections.

The HCIDLA bills the owner to recover all costs incurred for construction services performed under the URP including administrative fees and may record a lien against the property on the County of Los Angeles Secured Tax Roll for non-payment (Los Angeles Administrative Code Section 7.35.3).

Over the past decade, HCIDLA has successfully executed and awarded contracts through the RFP selection process, facilitated the timely repair of hundreds of urgent habitability violations, and improved living conditions for thousands of City residents.

The proposed contract will provide a contractor to continue performing the necessary urgent repair work in a timely manner to prevent the unnecessary displacement of tenants, particularly during the winter months when the referrals for the basic need of adequate heating systems is a primary concern.

## **RFP PROCESS**

In November 2014, in compliance with Charter Section 1022, the Personnel Department identified classifications within the City capable of performing the tasks outlined in the RFP. However, representatives from those departments indicated that they do not have sufficient staff to perform the work.

In November 2014, the City Administrative Officer determined in accordance with Charter Section 1022 that the URP construction services can be performed more feasibly by contract than by City employees.

On November 10, 2014, HCIDLA released and published the RFP on the City's Los Angeles Business Assistance Virtual Network (LABAVN) and the HCIDLA Internet web page.



On November 19, 2014, HCIDLA held a Proposer's conference where fourteen contractors attended. Proposal submissions were due to HCIDLA on December 8, 2014. HCIDLA received three proposal responses by the deadline. HCIDLA recommends the highest scoring proposer in this transmittal for funding to provide URP construction services.

## **SCORING**

HCIDLA assembled a review panel of three HCIDLA staff members: a Finance Development Officer, a Senior Housing Inspector, and a Housing Inspector. The range of staff expertise included, but was not limited to, policy and program analysis, financial analysis, technical knowledge of local housing rehabilitation and code standards, and knowledge of Federal, State, and local housing rules and regulations.

Table 1 below indicates the evaluation criteria utilized by the review panel.

Table 1: Evaluation Criteria

<b>Criteria/Element</b>	<b>Number of Points</b>	<b>Maximum Score</b>
<b>Demonstrated Effectiveness and Capacity</b>		<b>40</b>
Program Operations	10	
Ability	10	
Quality	10	
Timeliness	10	
<b>Home Repairs Service Experience</b>	<b>30</b>	<b>30</b>
<b>Program Design</b>		<b>30</b>
Repair Work Operations Plan	15	
Cost	15	
<b>Total Possible Points</b>		<b>100</b>

The RFP review team conducted a threshold review of the three proposal packages received to ensure the proposals were complete and fully responsive to the criteria set forth in the RFP and recommended each for scoring. Each panelist reviewed and independently scored the proposals. Final scores in Table 2 reflect an average of all scores.

Table 2: Final Average Scores

<b>Proposer:</b>	<b>AG Pacific Construction and Development</b>	<b>Dexterous Construction</b>	<b>Hotel Renovators and Builders</b>
<b>Average Total Evaluation Points</b>	92	78	72

Of the proposals received, the review panel selected AG Pacific Construction and Development as the most qualified and experienced proposer. On December 31, 2014, HCIDLA notified the proposers of the results of the RFP evaluation process. HCIDLA informed non-selected proposers of their right to appeal procedural issues related to the RFP process within five business days from the date of the notice; HCIDLA did not receive any written appeals within the specified timeframe.

### **CONTRACT NEGOTIATION**

HCIDLA will negotiate a contract with the selected contractor. HCIDLA has forwarded a copy of the proposed contract to the City Attorney for concurrent review and approval as to form.

Compensation is determined on a fee performance basis. HCIDLA negotiates rates for repair work based upon both the Price Specification and Fee Schedule submitted by the contractor in the RFP response and the Department's own price analysis. The contractor is required to submit a written bid for the work to be performed at the designated site address detailing the work to be performed, location, and cost per line item to the HCIDLA Urgent Repair Program Manager. The contractor may not commence the repair work until HCIDLA accepts the bid and approves the repair work. The contractor will be paid on a reimbursement basis upon submission of invoices and documentation and approval by HCIDLA of completed work and costs. There is no guarantee that HCIDLA will request any minimum or maximum amount of services during the term of the Agreement.

The current agreement is set to expire on March 31, 2015. Program Year 2015-2016 commences April 1, 2015. As a result, it is imperative that HCIDLA have a new contract in place to prevent a break in urgent repair services and enforcement of the URP Ordinance.

### **FISCAL IMPACT STATEMENT**

There is no impact to the General Fund. Funding for the proposed contract is subject to the funding allocated within the 41<sup>st</sup> PY Con Plan. HCIDLA estimates that up to \$285,000 will be available for the first year of the proposed URP contract based on the current and previous year funding allocations.

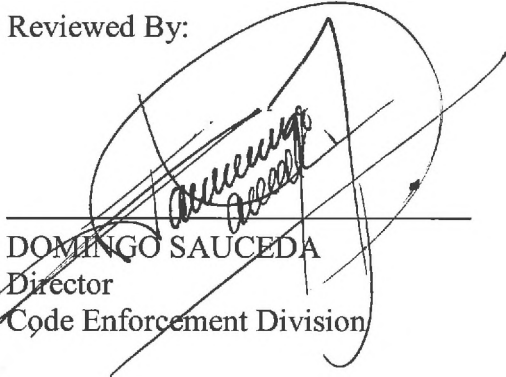
SIGNATURE PAGE TO FOLLOW

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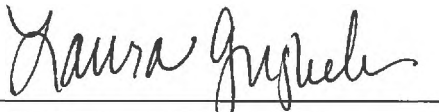
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