

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 24, 2015

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Council File No. 14-1376-S1

Council District: Citywide

To: The Mayor
The Council

From: Miguel A. Santana, City Administrative Officer *MSH
RW*

Reference: Housing and Community Investment Department transmittal dated February 19, 2015; Received by the City Administrative Officer on March 10, 2015

Subject: **HOUSING AND COMMUNITY INVESTMENT DEPARTMENT (HCID) REQUEST FOR AUTHORIZATION TO EXECUTE A CONTRACT WITH AG PACIFIC CONSTRUCTION AND DEVELOPMENT CORP. FOR THE URGENT REPAIR PROGRAM**

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to negotiate and execute a contract with AG Pacific Construction and Development Corp. (AG Pacific) to provide services related to HCID's Urgent Repair Program (URP). The URP addresses and corrects critical habitability violations in multi-family rental properties when property owners fail to repair conditions that present an imminent hazard or danger to the health and safety of tenants. Hazardous conditions are resolved by HCID through a pre-approved, licensed contractor who facilitates the timely repair of cited violations to bring the subject site into compliance with the Housing Code.

AG Pacific was selected as a result of a Request for Proposals (RFP) process authorized by the Mayor and Council on October 28, 2014. (C.F. 14-1376). The proposed contract has a one-year term from April 1, 2015 to March 31, 2016, with two one-year renewal options. The compensation amount for the contract is not to exceed the Community Development Block Grant funds allocated to the Urgent Repair Program in the 41st Program Year Consolidated Plan (C.F. 14-1382). If approved, there would be no impact to the General Fund. This Office concurs with the recommendations of the Department.

BACKGROUND

The URP addresses critical habitability violations in multifamily rental properties in the City where property owners have failed to repair conditions that threaten the health and safety of occupants. The URP, operating in conjunction with the Systematic Code Enforcement Program, uses housing inspectors to ensure that cited conditions affecting habitability are performed in a timely

manner, often on an emergency basis, thereby mitigating the need and costs for tenant displacement. Program services include restoration of hot water, repairs to roof and other unsafe structures, emergency repairs to electrical, heating and plumbing systems (including sewage clean up), and the provision of basic fire safety protections. The HCID 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 to secure payment.

Request for Proposals (RFP) Process

On November 10, 2014 HCID released and published the RFP for construction services for the URP on the Los Angeles Business Assistance Virtual Network (LABAVN) and the HCID web page. Three proposers submitted responses to HCID the deadline. The proposals were reviewed by a panel of three HCID staff members, who conducted a threshold review of the three proposal packages to ensure the proposals were complete and responsive to the criteria detailed in the RFP. The panel recommended all three for scoring based on the following criteria: 1) demonstrated effectiveness and capacity, 2) home repairs services experience, and 3) program design. Each panelist independently scored the proposals and final scores were based on an average of all scores given. The final scores are shown below.

Final Average Scores

Proposer	AG Pacific Construction and Development	Dexterous Construction	Hotel Renovators and Builders
Average Total Score	92	78	72

AG Pacific received the highest score and was recommended for funding by the review panel. The HCID notified the proposers of the results of the RFP evaluation and informed the proposers that were not selected of their right to appeal their score within five business days of the date of notice. The HCID did not receive any written appeals within the specified timeframe.

Compensation for the proposed contract is determined on a fee for performance basis, whereby HCID negotiates rates for repair work based on the Price Specification and Fee Schedule submitted by the contractor in response to the RFP and HCID's own price analysis. The contractor will submit a written bid for the subject site to HCID for review and approval prior to the commencement of repair work. The contract does not guarantee a minimum or maximum amount of services will be requested during the term. The current agreement for the URP will expire on March 31, 2015.

Pursuant to Charter Section 1022, the Personnel Department (Personnel) determined in November 2014 that there are 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 personnel with the expertise or experience to perform the work on an intermittent or emergency basis. In addition, Personnel states that the intermittent nature of the work makes it unlikely that the City would be able to continue the employment of persons hired for these services. The City Administrative Officer conducted a Charter Section 1022 review in March 2015, which concurred with the findings of Personnel.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Authorize the General Manager, Housing and Community Investment Department, or designee, to:
 - a. Negotiate and execute a contract with AG Pacific Construction and Development Corp. to provide urgent repair program services in an amount not to exceed the Community Development Block Grant funds allocated to the Urgent Repair Program in the 41st Program Year Consolidated Plan, for the period April 1, 2015 to March 31, 2016, with two one-year renewal options, subject to the approval of the City Attorney as to form and legality; and,
 - b. Prepare Controller's instructions for any necessary technical adjustments consistent with the Mayor and Council actions on this matter, subject to the approval of the City Administrative Officer, and authorize the Controller to implement those instructions.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. Funding will be provided by Community Development Block Grant funds in the 41st Program Year Consolidated Plan. The recommendations in this report are in compliance with City Financial Policies in that grant funds fully support the Urgent Repair Program.