

TRANSMITTAL

To:

THE COUNCIL

Date: **OCT 07 2014**

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



ERIC GARCETTI
Mayor



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

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September 25, 2014

Council File: New
Council District: Citywide
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Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
200 N. Spring Street, Room #303
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

COUNCIL TRANSMITTAL: REQUEST FOR AUTHORITY TO RELEASE A REQUEST FOR PROPOSALS (RFP) FOR LOS ANGELES HOUSING + COMMUNITY INVESTMENT DEPARTMENT'S URGENT REPAIR PROGRAM TO SELECT A CONTRACTOR FOR THE 2015-2016 PROGRAM YEAR

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 multifamily, residential rental units through routine property inspections and enforcement of federal, State, and local housing and health codes. Under SCEP, HCIDLA Inspectors perform routine habitability inspections and cite property owners for code violations. The Housing Code provisions provide property owners 30 days to comply with Department orders to correct cited code violations. However, when the conditions present an imminent hazard or danger to the health and safety of the tenants, the property owner must 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, address and correct these critical habitability violations.

Through a pre-approved, licensed contractor, HCIDLA facilitates the repair of cited violations to mitigate or resolve hazardous conditions and bring the property into compliance. In most cases, the immediate repair of dangerous code violations eliminates the need to vacate tenants exposed to

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 relocation assistance expenses borne by the City.

The Urgent Repair program has a profoundly positive impact on the residents of multifamily 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 \$1,040 per project to improve living conditions in 97 residential rental units for families, many with small children and elderly relatives, through the restoration of heat and water, and the repair of other unsafe living conditions.

The HCIDLA requests authority to release an RFP to select a contractor through the competitive bid process to provide urgent repair construction services for the 2015-16 Program Year.

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, authorize the General Manager, HCIDLA, or designee, to:
 - a. Prepare and release an RFP for a new contract for urgent repair construction services for the Urgent Repair Program, subject to the approval of the City Attorney as to form to commence on or about April 1, 2015, for a one-year period with an option to extend for two additional periods of up to one year each subject to contractor performance and availability of funds;
 - b. Submit RFP results and recommendations for contractor selection for the Urgent Repair Program for approval by the Mayor and Council, including appropriate funding levels and Controller instructions.
 - c. 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 was established by the City in 1997 to address critical habitability problems in multifamily buildings where landlords or property owners fail to repair conditions that threaten the immediate health or safety of tenants and would require the City to vacate the dwelling unit if the conditions were left unrepaired. 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. These orders are initiated by HCIDLA, Department of Building and Safety, Fire Department and the County Health Department. If the violations are not corrected within a timely manner, the ordinance authorizes HCIDLA to make the repairs through a licensed contractor and to subsequently bill the owner for the repairs. Typical repairs include cleanup of excessive sewage, restoration of hot water, roof and structural repairs, the repair of unsafe stairways and the provision of basic fire safety protections.

Initially, the General Services Department (GSD) Construction Services Division provided the urgent repair construction services utilizing City staff or contractual services, depending on the scope of work required. The process for obtaining contractors through the contracts issued by the GSD was extensive and inefficient. As the program gained popularity and the number of referrals to the URP increased, the GSD contractor was not equipped to handle the workload and contract limitations presented challenges to addressing the needed repairs in a timely manner. Eventually, GSD determined that continuation of urgent repair services was infeasible through their resources due to a lack of trained staff to perform URP repairs, and lack of contract authority to perform repairs on private property. In 2004, it became apparent that due to the incompatibility with GSD's resources, the HCIDLA should pursue authority to execute an agreement directly with a qualified contractor, and to tailor the scope of work to more efficiently meet the requirements of the program.

Since then, 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 RFP would 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 chief concern.

RFP IMPLEMENTATION

The purpose of the RFP is to solicit qualified firms to continue providing construction services in connection with URP. Selected firms will be responsible for correcting immediate habitability problems in multifamily buildings that threaten the health and safety of tenants, particularly in circumstances where property owners have neglected to correct such conditions after receiving proper notice. Typical work to be performed by the contractor includes cleanup of excessive sewage, restoration of hot water, roof and structural repairs, repair of unsafe stairways, and the provision of basic fire safety protections.

Further, HCIDLA proposes to execute a new contract with a selected vendor to commence on or about April 1, 2015 for a one-year period with an option to renew or extend for two additional periods of up to one year each, for a total not to exceed three years, subject to contractor performance, available funding and approval by the Mayor and City Council.

Conditions for applying for the Urgent Repair Construction Services RFP include the following:

1. Have at least five (5) consecutive years of direct or related licensed experience in the delivery of similar types of repairs as required by URP through this RFP. It is desirable for all applicants to have the specialized equipment and training for major sewage problems;
2. Must be in good standing with any regulatory oversight agencies and must possess the requisite licensing (State of California Contractor License A or B);
3. Qualified to conduct business in the State of California;
4. Hold an active City of Los Angeles Business Tax Registration certificate;
5. Have the ability to meet insurance/bonding requirements;
6. Demonstrate an ability to begin URP repairs immediately, as demonstrated by past performance;
7. Demonstrate competitive pricing per our sampling of the most frequently required repairs;
8. Have not been determined to be non-responsible or been debarred by the City pursuant to the Contractor Responsibility Ordinance;
9. Have not been debarred by the federal government, State of California or local government.
10. If a corporation or limited liability company, the proposer must be in good standing with the Secretary of State.
11. If the proposer has contracted with the State of California or the City of Los Angeles, it must not have an outstanding debt, which has not been repaid or for which a repayment agreement plan has not been implemented. If it has contracted with HCIDLA, it must not have a current disputed or disallowed cost.

All proposals will be reviewed by an evaluation team composed of panelists with particular expertise in the respective service program category. Each proposal will be evaluated on its own merit for content, responsiveness, conciseness, clarity, relevance, cost and adherence to the instructions in the RFP.

The criteria for evaluating proposals shall include the following:

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

The City will notify all applicants of the results of the proposal evaluations. Applicants may appeal procedural issues only by submitting a letter to the HCIDLA within five working days of receiving notification. Appeals will be heard before a panel headed by the General Manager of the HCIDLA or designee, and at least two other persons with experience in the relevant program category.

The City Council and the 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 HCIDLA has forwarded a copy of the draft RFP to the City Attorney for concurrent review and approval as to form, and has requested a determination on Charter Section 1022 from the Personnel Department to show that the City currently does not have the staff available to perform the required urgent repair program services. At the time of finalizing this transmittal, this determination was still pending.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. Funding for the proposed RFP will be available through the Community Development Block grant funds allocated to HCIDLA. Funding for the proposed 2015-16 contract is contingent upon funding availability to be determined in the 2015-16 (41st Program Year) Housing and Community Development Consolidated Plan. For the purpose of the RFP, the budget is estimated at an amount not to exceed \$285,000 based on historical funding levels.

Prepared By:



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Reviewed By:

Reviewed By:

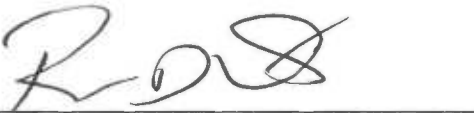
FOR 

DOMINGO SAUCEDA
Director
Code Enforcement Division



ROBERTO ALDAPE
Assistant General Manager
Regulatory, Compliance & Code Bureau

Approved By:



RUSHMORE CERVANTES
General Manager
Los Angeles Housing + Community Investment Department

Attachments: Draft RFP