



Legislation Text

File #: 2017-581, Version: 1

Report to Housing Authority

Tuesday, July 18, 2017

Consent

SUBJECT:

CONSIDER AWARDING A CONTRACT TO INTERIOR DEMOLITION, INC. FOR THE DEMOLITION PROJECT AT 21723-21725 FIGUEROA STREET: RFP P17-17 FOR DEMOLITION OF HOUSING AUTHORITY-OWNED PROPERTY LOCATED AT 21723-21725 FIGUEROA STREET (HOUSING AUTHORITY)

I. SUMMARY

On July 12, 2017, a public bid was held through the on-line bidding system Planet Bids for the "Demolition Project at 21723-21725 Figueroa Street: RFP P17-17," for demolition of Housing Authority-owned property located at 21723-21725 Figueroa Street (Site) (Exhibit No.1). This project is for the demolition of three vacant structures, and includes asbestos and lead-based paint abatement. The lowest responsive and responsible bidder is Interior Demolition, Inc. with a bid in the amount of \$47,168.

II. RECOMMENDATION

TAKE the following actions:

1. AWARD the contract for the Demolition Project at 21723-21725 Figueroa Street: RFP P17-17 to the lowest responsive and responsible bidder, Interior Demolition, Inc. in the amount of \$47,168.
2. ADOPT Resolution No. 17-19-CHA "A RESOLUTION OF THE CARSON HOUSING AUTHORITY AMENDING THE FISCAL YEAR 2017-18 BUDGET IN THE CARSON HOUSING AUTHORITY FUND." This is to appropriate \$54,243 from the unreserved, undesignated Housing Authority Cash Fund to account no. 55-70-790-003-6005 to fund the Demolition Project at 21723-21725 Figueroa Street: RFP P17-17; the amount includes approximately 15% (or \$7,075) above the bid amount to cover any contingencies for unforeseen conditions that may arise during the course of the project.
3. AUTHORIZE the expenditure of up to \$7,075 in construction contingencies (15% of bid amount) for change orders for unforeseen conditions that may be required to complete this project.

4. AUTHORIZE the Authority Chairman to execute the contract following approval as to form by Authority Counsel.

III. ALTERNATIVES

TAKE another action the Authority Board deems appropriate.

IV. BACKGROUND

On January 24, 2017, the Housing Authority (Authority) entered into a Disposition and Development Agreement (DDA) with Thomas Safran and Associates (Developer) for the development of an affordable veteran's housing project on the Site. Following approval of the DDA, the Developer submitted its application for a competitive 9% tax credit award to the California Tax Credit Allocation Committee (TCAC). In June, the Developer was notified by TCAC that it had received an award and therefore the project must commence construction by early December.

As part of the DDA the Authority acquired the Site and is now prepared to demolish the structures to prepare the Site for redevelopment. The subject of this report is a contract for the demolition of three structures located on the Site (Exhibit No. 2). The demolition will include the removal of a liquor store, a small house, and storage shed. The demolition project will also involve the abatement of asbestos and lead-based paint.

The reason to undertake the demolition in August is that the developer will need 90 days from the completion of the demolition to the close on the financing of the development project in order for any mechanic's liens or other liens related to the demolition to show up on title, to be cleared before closing. They are anticipating a mid-November financing close, ahead of the December 7th commencement of construction on the project.

Staff conducted a public bid for this demolition project. As part of the bid process, a mandatory pre-bid job walk was held on July 6, 2017, where seven contractors attended. Only those contractors in attendance were allowed to submit bids for the project. The bidding process also required contractors to submit a bid bond.

On July 12, 2017, bids were received through Planet Bids from the contractors listed below. The bid results are available for public review through the City's purchasing department and are listed below:

<u>Bidder</u>	<u>Bid Amount</u>
Interior Demolition, Inc.	\$47,168
OFRS, Inc.	\$52,735

Unlimited Environmental	\$65,312
Progressive Land Clearing DBA: Thomas Demolition	\$68,793
Site Solution Services	\$71,250

The lowest responsive and responsible bidder to be awarded the contract for demolition is Interior Demolition, Inc. with a bid amount of \$47,168.

The bid bond, in the amount of 10% of the total bid, as supplied by Philadelphia Indemnity Insurance Company, is in order and was submitted with the bid. The contractor's references have been checked, and it has been verified that the contractor has completed similar projects in the past, in an acceptable manner.

Adoption of Resolution No. 17-19-CHA (Exhibit No. 3) will appropriate the necessary funds for completion of the project. Upon approval of the contract, the project shall be completed within 20 days from the notice-to-proceed.

V. FISCAL IMPACT

The bid amount of \$47,168 will be funded from the Authority's Cash Funds. Upon approval of the contract, a total of \$54,243 shall be appropriated in 55-70-790-003-6005 (the amount includes up to \$7,075 which is 15% above the bid amount to cover any contingencies that may arise during the course of the project). The estimated available fund balance in the Housing Authority Cash Fund is approximately \$1.4 million. This amendment would reduce the amount to approximately \$1.35 million.

VI. EXHIBITS

1. Vicinity Map (pg. 4)
2. Contract for Demolition (pgs. 5-166)
3. Resolution No. 17-19-CHA (pgs. 167-168)

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