

RESOLUTION NO. _____

**AWARD OF CONSTRUCTION CONTRACT FOR DOSKER MANOR-B BUILDING
ELECTRICAL UPGRADES**

Item No. 5h

WHEREAS, funds have been received from the U.S. Department of Housing and Urban Development under the Capital Fund Program for Dosker B Building Electrical Upgrades; and

WHEREAS, Sherman, Carter, Barnhart, Inc. (SCB); developed construction documents for this project; and

WHEREAS, the project was advertised for bids in The Courier-Journal, The Louisville Defender, LMHA's Website and the Housing Agency Marketplace, and on March 9, 2021 bids were received and tabulated for the contractor to perform the work; and

WHEREAS, the term of the construction contract will be for 300 calendar days: and

WHEREAS, staff reviewed the bids received and determined that the bid submitted by Howell & Howell Contractors in the amount of \$1,906,000.00 is the most responsive and responsible bid received and recommends award of the contract to them.

NOW, THEREFORE, BE IT RESOLVED BY THE LOUISVILLE METRO HOUSING AUTHORITY BOARD OF COMMISSIONERS, that the Executive Director and Contracting Officer, Lisa Osanka, is hereby authorized to enter a contract with Howell & Howell Contractors in the amount of \$1,906,000.00 for Dosker B Building Electrical Upgrades.

RESOLUTION BACKGROUND STATEMENT

AWARD OF CONSTRUCTION CONTRACT FOR DOSKER MANOR-B BUILDING ELECTRICAL UPGRADES

Item No. 5h

I. STATEMENT OF FACTS:

The Louisville Metro Housing Authority (LMHA) received funds from the Department of Housing and Urban Development under the Capital Fund Program for Dosker B Building Electrical Upgrades.

On June 8, 2020, due to broken sprinkler system head, the electrical system at Dosker Manor Building B suffered severe damage due to extensive flooding and subsequent fire that affected most of the floors. Because of the crippling power outage. All the residents from B building had to be temporary located to local hotels for three days until local contractors reestablished the power to building.

On November 17, 2020, the Board of Commissioners approved a resolution to designate 17 housing units for special purpose at Dosker Manor B Building, with the goal to permanently convert these units into new electrical rooms to accommodate the necessary repairs to the electrical system in the building and meet current codes.

As part of the work, the kitchens and bathrooms will be demolished to make room for the new electrical equipment that will replace the existing 480 Volt-3 Phase, 1000-amp bus duct that feeds the 480-120/240V transformers on multiple floors and basement; these will also need to be replaced. New conduit and wiring will be installed throughout the building and upgrading the existing 100kVA transformers to 167kVA transformers will also be needed.

The project was advertised on February 23, 2021 in the Courier Journal, LMHA's Website and the Housing Agency marketplace, and on February 24, 2021 in the Louisville Defender. The project team also used multiple local and national plan rooms, made direct calls to local general contractors, used the LMHA's Website and the Housing Agency Marketplace (e-Procurement), reaching at least 426 companies that we can confirm received an "invitation for bids", and it includes 12 MBE and 1 DBE companies. The breakdown is as follows:

RESOLUTION BACKGROUND STATEMENT

AWARD OF CONSTRUCTION CONTRACT FOR DOSKER MANOR-B BUILDING ELECTRICAL UPGRADES

Item No. 5h

I. STATEMENT OF FACTS (cont'd):

MBE / African-American Business Enterprise	135 (30%)
MBE / Hispanic-American Business Enterprise	17 (4%)
MBE / Asian Pacific-American Business Enterprise	2 (0%)
MBE / Asian Indian-American Business Enterprise	3 (1%)
MBE / Hasidic Jew Business Enterprise	0 (0%)
MBE / Native American Business Enterprise	4 (4%)
MBE / Woman-owned Business Enterprise	90 (20%)
DBE / Disabled-owned Business Enterprise	0 (0%)
NONE (Not MBE, WBE or DBE-owned)	228 (51%)
SECTION 3 Business	32 (7%)

From the 426 companies that received the "Invitation for Bid", 27 companies downloaded and reviewed the Plans and Specifications for the Dosker B Building Electrical Upgrades and the breakdown is as follows:

MBE / African-American Business Enterprise	6 (21%)
MBE / Hispanic-American Business Enterprise	1 (4%)
MBE / Native American Business Enterprise	1 (4%)
FBE / Woman-owned Business Enterprise	5 (18%)
DBE / Qualified Disabled Veteran Owned	1 (4%)
NONE (Not MBE, WBE or DBE owned)	17 (61%)
SECTION 3 Business	3 (11%)

Bids were opened on March 9, 2021 and the results are noted as follows:

<u>CONTRACTOR</u>	<u>AMOUNT</u>
Martin Construction Company	\$1,900,000.00
Howell & Howell Contractors, Inc.	\$1,906,000.00

Following the procurement policies, the bid submitted by Martin Construction Company in the amount of \$1,900,000.00 was reviewed and analyzed for responsiveness and responsibility, and it was found to be both non-responsive (due to an incomplete submission of the required bidding documents and being materially unbalanced) and non-responsible (due to non-compliance with four

RESOLUTION BACKGROUND STATEMENT

AWARD OF CONSTRUCTION CONTRACT FOR DOSKER MANOR-B BUILDING ELECTRICAL UPGRADES

Item No. 5h

I. STATEMENT OF FACTS: (cont'd):

of the ten responsibility evaluation factors established in the policies); and therefore, it was rejected.

The bid submitted by Howell & Howell Contractors in the amount of \$1,906,000.00 was then reviewed and analyzed following the same protocol.

In terms of responsiveness, Howell & Howell Contractors, who are a HUD-Registered Section 3 Business, submitted a complete bid package. As this project is funded through the LMHA's Capital Fund Program, the LMHA's Participation Goals of 25% MBE, 10% FBE, and .5% DBE are in effect.

In reviewing the documents related to the MBE, WBE and DBE participation, the evaluation committee was able to determine that Howell & Howell Contractors, despite "good faith efforts", required a partial waiver for 6% of the MBE goal, 10% of the WBE goal and .5% of the DBE goal. Although Howell & Howell Contractors are formally requesting a waiver for 10% of the WBE goal, they will be utilizing as their main subcontractor an electrical company that obtained their WBE certification the day after the bid opening. The percentage of work allocated to this WBE firm will be 37.35% of the total contract amount.

The waiver was granted because the evaluation committee determined that Howell & Howell demonstrated willingness to achieve the goals and spread the economic opportunities to MBE, WBE, DBE subcontractors, and to very-low and low income communities through the Section 3 Program, by the number of local companies (nine in total) that they would be contracting with: three MBEs, one WBEs and four Section 3 Businesses.

The LMHA recently certified one of these companies under our MWDBE Program: K&B Electrical, Inc. as WBE at 37% of the project, and if the contract is awarded, they would be performing their first LMHA job under this project.

RESOLUTION BACKGROUND STATEMENT

AWARD OF CONSTRUCTION CONTRACT FOR DOSKER MANOR-B BUILDING ELECTRICAL UPGRADES

Item No. 5h

I. STATEMENT OF FACTS (cont'd):

Because Howell & Howell Contractors are a HUD-registered "Section 3 Business", they would also be providing direct economic opportunities to low income and very low-income individuals.

After finding the bid submitted by Howell & Howell Contractors also to be responsible, the Procurement Committee (Norma Ward, Steve Webb, Phil Reidinger and Mike Lyall) discussed the project and is recommending award of the contract to Howell & Howell Contractors in the amount of \$1,906,000.00.

II. ALTERNATIVES:

- A. Approve the resolution authorizing award of a contract to Howell & Howell Contractors in the amount of \$1,906,000.00.
- B. Do not approve the resolution to award of the contract at this time.

III. RECOMMENDATION:

Staff recommends Alternative "A".

IV. JUSTIFICATION:

- The bid submitted by Howell & Howell Contractors has been determined by staff to be the lowest responsive and responsible bid received.
- Howell & Howell Contractors' bid is below the Architect's estimate of \$2,591,539.20, and is also below the LMHA's project budget of \$2,600,000.00
- Awarding the contract at this time is crucial to ensure the safety and wellbeing of residents on this site, as well as visitors and LMHA maintenance staff.

RESOLUTION BACKGROUND STATEMENT

**AWARD OF CONSTRUCTION CONTRACT FOR DOSKER MANOR-B BUILDING
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Item No. 5h

IV. JUSTIFICATION (cont'd):

- The Board of Commissioners and HUD previously approved the designation of 17 units for special purpose with the goal of converting them into electrical rooms; and the residents have been successfully relocated by the Operations and Dosker Manor Management teams in preparation for the project kick-off.
- Howell & Howell Contractors are a registered Section 3 Business that will be utilizing a total of three MBE and one WBE subcontractors, who will be receiving a combined amount of \$1,060,604 of the total contract amount.
- The combined Section 3 Businesses amount spent to be reported on this project (four companies) will be \$903,267.00.
- An additional five non-MWDBE contractors will participate in this project, earning a combined \$318,736.00 from the total contract amount.

V. BUDGET APPROVAL:

Funding for this project is provided from Capital Fund Program.

Angela Larsson, Director of Finance

Date

VI. PROCUREMENT CERTIFICATION:

The procurement of this contract is in compliance with the Louisville Metro Housing Authority's procurement policies and procedures.

Steve Webb, Purchasing Agent

Date

Prepared by: Mike Lyall, Program Manager, Capital Improvements Dept.
Submitted by: Norma Ward, Director, Capital Improvements Dept.
May 18, 2021