

RESOLUTION NO. _____

**AWARD OF CONSTRUCTION CONTRACT FOR BAXTER COMMUNITY CENTER
RENOVATION AND ADDITION**

Item No. 5D

WHEREAS, funds have been received from Section 8 Reserves and Choice Neighborhoods Implementation grant, along with American Rescue Plan funds from Louisville Metro Government and grant funds from the James Graham Brown Foundation for the Baxter Community Center Renovation and Addition; and

WHEREAS, Sherman-Carter-Barnhart Architects, PLLC developed construction documents for this project; and

WHEREAS, the project was advertised for bids in The Courier-Journal, LMHA's Website and Housing Agency Marketplace on October 12, 2022; and on The Louisville Defender October 13, 2022; and on November 8, 2022 bids were received and tabulated for the contractor to perform the work; and

WHEREAS, staff reviewed the bids received and determined that the bid submitted by Churchill McGee, LLC in the amount of \$8,978,000.00 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 Churchill McGee, LLC in the amount of \$8,978,000.00 for the Baxter Community Center Renovation and Addition.

RESOLUTION BACKGROUND STATEMENT

AWARD OF CONSTRUCTION CONTRACT FOR BAXTER COMMUNITY CENTER RENOVATION AND ADDITION

Item No. 5D

I. STATEMENT OF FACTS:

The Louisville Metro Housing Authority (LMHA) received funds from Section 8 Reserves and Choice Neighborhoods Implementation Grant, along with American Rescue Plan Funds from Louisville Metro Government and grant funds from the James Graham Brown Foundation for Baxter Community Center Renovation and Addition.

As part of the Choice Neighborhoods Initiatives (CNI), the Baxter Community Center Renovation and Addition project will help fulfill one of the goals from the Vision Russell Transformation Plan (“Improving the Health and Safety”) by having an updated, modern and safe facility that promotes active living, and opportunities for social and educational activities.

The LMHA worked with Sherman-Carter-Barnhart Architects, PLLC to develop construction documents for this project, which was originally advertised for bids on June 29, 2022, with a bid opening on August 9, 2022. During the bid review process, the LMHA became aware that not all the factors of significance had been considered; mainly, the timely availability of specified HVAC equipment and materials in the currently volatile supply chain market and therefore, the solicitation was cancelled to make the necessary modifications to the specifications and avoid costly change orders.

After making the necessary modifications to the project’s scope of work, including extending the completion time from 12 months to 18 months, and adding a multi-purpose audio/visual room, the project was re-advertised on October 12, 2022 in the Courier Journal, LMHA’s Website and the Housing Agency Marketplace; and on October 13, 2022, in the Louisville Defender.

The project team also used multiple local and national plan rooms, made direct calls to local contractors, reaching at least 2,226 companies that were confirmed as receiving an “invitation for bids”; the breakdown of these companies is as follows:

MBE / African-American Business Enterprise	723 (32%)
MBE / Asian Indian-American Business Enterprise	20 (1%)
MBE / Asian Pacific-American Business Enterprise	22 (1%)
MBE / Hasidic Jew Business Enterprise	1 (0%)

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Item No. 5D

I. STATEMENT OF FACTS: (cont.):

MBE / Hispanic American Business Enterprise	152 (7%)
MBE / Native American Business Enterprise	20 (1%)
MBE / Woman-owned Business Enterprise	463 (20%)
DBE / Disabled-owned Business Enterprise	0 (0%)
NONE (Not MBE, WBE or DBE-owned)	1,119 (49%)
SECTION 3 Business	263 (12%)

From the 2,226 companies listed above, a total of 51 companies downloaded and reviewed the Plans and Specifications for the Baxter Community Center Renovation and Addition, and they are as follows:

MBE / African-American Business Enterprise	14 (27%)
MBE / Asian Indian-American Business Enterprise	2 (4%)
MBE / Asian Pacific-American Business Enterprise	2 (4%)
MBE / Hispanic American Business Enterprise	2 (4%)
MBE / Woman-owned Business Enterprise	11 (22%)
NONE (Not MBE, WBE or DBE-owned)	25 (49%)
SECTION 3 Business	6 (12%)

On November 8, 2022, the LMHA received four bids as follows:

<u>Contractor</u>	<u>Amount</u>
Churchill McGee, LLC	\$8,978,000.00
Miranda Construction	\$8,986,000.00
Martin Construction	\$9,750,000.00
Howell& Howell Contractors	\$10,422,000.00

The bid submitted by Churchill McGee, LLC in the amount of \$8,978,000.00 was determined to be lowest responsible and responsive bid received.

The bid received from Churchill McGee, LLC is under the Architectural and Engineering estimate of \$9,417,695.40. As this project is funded in part through federal funds including Section 8 Reserves, Choice Neighborhood Implementation grant, and American Rescue Plan Funds, the MBE participation goal is 25%, the WBE is 10% and the DBE is 0.5%.

RESOLUTION BACKGROUND STATEMENT

AWARD OF CONSTRUCTION CONTRACT FOR BAXTER COMMUNITY CENTER RENOVATION AND ADDITION

Item No. 5D

I. STATEMENT OF FACTS: (cont.):

The contractor, who has a workforce comprised of 26% minorities employees and 26% Section 3 Individuals assigned to this job, has reached 14.77% MBE and 19.07 % WBE, and a waiver for 10.23% MBE and 0.5% DBE by the evaluation committee (Phil Reidinger, Norma Ward, Keith McCarthy, and Wavid Wray) has been granted after the committee reviewed good faith effort documentation and made the determination.

II. ALTERNATIVES:

- A. Approve the resolution authorizing award of a contract Churchill McGee, LLC in the amount of \$8,978,000.00.
- B. Do not approve the resolution to award of the contract at this time.

III. RECOMMENDATION:

Staff recommends Alternative "A".

IV. JUSTIFICATION:

- The Baxter Community Center Renovation and Addition project is part of the Choice Neighborhoods Initiatives (CNI), and it will help fulfill one of the goals from the Vision Russell Transformation Plan ("Improving the Health and Safety") by having an updated, modern and safe facility that promotes active living, and opportunities for educational and social activities.
- The bid submitted by Churchill McGee, LLC in the amount of \$8,978,000.00 has been determined by staff to be lowest responsible and responsive bid received.
- The bid from Churchill McGee, LLC was \$439,695.40 below Architect's estimate of \$9,417,695.40.
- Churchill McGee, LLC is a Kentucky-based company in good standing under the Kentucky Secretary of State, that has worked in the past with the Lexington Housing Authority, who strongly recommend the company based on their excellent performance on a six-million-dollar project currently underway.

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IV. JUSTIFICATION (cont.):

- The contractor, who has a workforce comprised of 26% minorities employees and 26% Section 3 individuals assigned to this job, will achieve 14.77% MBE and 19.07% WBE participation, exceeding the goal. A waiver for 10.23% MBE and 0.5% DBE has been granted.
- Churchill McGee received the 2020 Small Business of the Year Award from Commerce Lexington.

V. BUDGET APPROVAL:

Funding for this project is provided from Section 8 Reserves (\$6,349,500) and Choice Neighborhoods Implementation grant (\$1,950,500), along with American Rescue Plan funds (\$2,315,000) from Louisville Metro Government and grant funds from the James Graham Brown Foundation (\$1,000,000).

Aaron Dean, 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 Department

Submitted by: Norma Ward, Director
Capital Improvements Department
November 15, 2022