

RESOLUTION NO. _____

**AWARD OF CONSTRUCTION CONTRACT FOR AVENUE PLAZA
EMERGENCY GENERATOR AND LIGHTING REPLACEMENT**

Item No. 5J

WHEREAS, funds have been received from the U.S. Department of Housing and Urban Development under the Capital Fund Program for the Avenue Plaza Emergency Generator and Lighting Replacement; 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 12th, 2022; and on The Louisville Defender on October 13, 2022; and on November 8, 2022, one bid was received and tabulated for the contractor to perform the work; and

WHEREAS, staff reviewed the bid received and determined that the bid submitted by Howell & Howell Contractors, Inc. in the amount of \$1,671,000.00 is the lowest 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 into a Construction Contract with Howell & Howell Contractors, Inc. in the amount of \$1,671,000.00 for Avenue Plaza Emergency Generator and Lighting Replacement.

RESOLUTION BACKGROUND STATEMENT

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I. STATEMENT OF FACTS:

The Louisville Metro Housing Authority (LMHA) received funds from the U.S. Department of Housing and Urban Development provided under the Capital Fund Program for Avenue Plaza Emergency Generator and Lighting Replacement project.

Avenue Plaza is a residential 17 stories high-rise building with a total of two hundred and twenty-five (225) one-bedroom apartments. The emergency generator at Avenue Plaza is 30 plus years old. The bulk of the work consists of replacing the diesel generator with a natural gas generator; but the scope will also include replacing other generator-related components that are in poor condition, missing or damaged. The project also includes replacing existing light fixtures in all residential common areas with new energy efficient light fixtures and installing new vandal-resistant emergency lighting in the lobbies, corridors and stairwells. All Avenue Plaza residents will be able to remain in their apartments during the emergency generator and lighting work.

The project was 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 and made direct calls to local MBE, WBE and Section 3 firms found through the Louisville Metro Government's Human Relation Commission Database, reaching at least 828 companies that we can confirm received an "invitation for bids". The breakdown is as follows:

MBE / African American Business Enterprise	181	(21%)
MBE / Asian Indian American Business Enterprise	11	(1%)
MBE / Asian Pacific American Business Enterprise	10	(1%)
MBE / Hassidic Jew American Business Enterprise	0	(0%)
MBE / Hispanic American Business Enterprise	55	(6%)
MBE / Native American Business Enterprise	6	(1%)
WBE/ Woman Owned Business Enterprise	165	(19%)
None (not Woman or Minority owned)	510	(60%)
Section 3 Business	64	(8%)

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I. STATEMENT OF FACTS (cont'd):

From the 828 companies listed above, a total of 26 companies downloaded and reviewed the Plans and Specifications for the Avenue Plaza Emergency Generator and Lighting Replacement, and they are as follow:

MBE / African American Business Enterprise	3 (11%)
MBE / Asian Indian American Business Enterprise	1 (1%)
MBE / Asian Pacific American Business Enterprise	1 (1%)
WBE/ Woman Owned Business Enterprise	7 (26%)
None / (not Woman or Minority owned)	17 (63%)
Section 3 Business	5 (6%)

On November 8th, 2022, the LMHA received one bid for this project as follows:

<u>Contractor</u>	<u>Amount</u>
Haire Construction	\$ 780,000.00
Howell & Howell Contractors, Inc.	\$1,671,000.00

Haire Construction failed to submit the “2nd Day Submittal” documents, and therefore, their bid was non-responsive and therefore, it was rejected. Following the regulations established by the HUD Procurement Handbook 7460.8 Rev 2 and LMHA’s Procurement Policies, the bid from Howell & Howell Contractors, Inc. was then reviewed.

The bid submitted by Howell & Howell Contractors, Inc. in the amount of \$1,671,000.00 was determined to be the lowest responsible and responsive bid.

The bid submitted by Howell & Howell Contractors, Inc. is slightly above the top range of the Architectural and Engineering estimate range of \$1,230,550 - \$1,500,000. However, this estimate is several months old and with the supply chain shortages and long lead times for equipment such as the generator, the prices of construction supplies and materials for this type of work have increased significantly.

As this project is funded through Capital Funds Program, the MBE participation goal is 25%, the WBE is 10% and the DBE is 0.5%. Due to the limited scope of work on this project, the contractor had planned to do the work utilizing 100% of

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I. STATEMENT OF FACTS (cont'd):

his workforce; however, licensed electricians are required. The contractor, who is a certified Section 3 Business, solicited prices for the electrical portion of the job and was able to obtain a quote from a WBE subcontractor.

With the limited amount of electrical work, Howell & Howell Contractors, Inc. was able to obtain 39% of WBE participation, and 2% of MBE participation. With LMHA's combined diverse participation goals of 35.5%, the contractor has exceeded the amount with a total of 41%.

A waiver for 23% MBE and 0.5% DBE was also submitted, and after reviewing it, by the evaluation committee (Phil Reidinger, Norma Ward, Keith McCarthy, and Wavid Wray) made the determination to accept the request and granted the waiver to the contractor.

II. ALTERNATIVES:

- A. Approve award of the Contract to Howell & Howell Contractors, Inc. in the amount of \$1,671,000.00.
- B. Do not approve award of the contract at this time.

III. RECOMMENDATION:

Staff recommends Alternative "A".

IV. JUSTIFICATION:

- The Avenue Plaza Emergency Generator and Lighting Replacement project is critical for having a reliable emergency generator system that will not fail during a power outage emergency, as it powers the elevators, common areas and other spaces critical in an emergency situation. This system is crucial in order to keep residents, visitors and LMHA staff safe.
- The new system will be code-compliant and have all new efficient equipment, components and materials. The new system will also translate into reduced maintenance and repairs costs.

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IV. JUSTIFICATION (cont.):

- The bid submitted by Howell & Howell Contractors, Inc. in the amount of \$1,671,000.00 has been determined by staff to be lowest responsible and responsive bid received.
- The bid from Howell & Howell Contractors, Inc. was slightly above the top range of the Architectural and Engineering estimate range of \$1,230,550 - \$1,500,000. However, this estimate is several months old and with the supply chain shortages and long lead times for equipment such as the generator, the prices of construction supplies and materials for this type of work have increased significantly.
- Howell & Howell Contractors, Inc. is a Section 3 Certified contractor that have successfully completed various LMHA projects, including complex jobs; and are currently engaged in another LMHA job (1131 S. 6th Street Renovations).
- The contractor will achieve 39% WBE and 2% MBE participation and will have a 20% minority workforce assigned to this job. A waiver for 23% MBE and 0.5% DBE has been granted.
- Howell & Howell Contractors, Inc. have consistently received an "Above Average" evaluation from LMHA staff.
- All applicable procurement regulations, including those established by the HUD Procurement Handbook 7460.8 Rev 2 and LMHA's Procurement Policies have been followed accordingly.

V. BUDGET APPROVAL:

Funding for this project is provided from the Capital Fund Program.

Aaron Dean, Director of Finance

Date

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VI. PROCUREMENT CERTIFICATION:

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

Steven Webb, Purchasing Agent

Date

Prepared by: Mike Lyall, Program Manager
Capital Improvements Department

Submitted by: Norma Ward, Director
Capital Improvements Department
December 20, 2022