

RESOLUTION NO. \_\_\_\_\_

**APPROVAL OF ANNUAL ENVIRONMENTAL HAZARD  
ABATEMENT CONTRACT - REGION 2**

Item No. **5M**

WHEREAS, funds have been received from the U.S. Department of Housing and Urban Development under the Capital Fund Program for abatement of asbestos, lead, mold and other environmental hazards at Louisville Metro Housing Authority (LMHA) properties; and

WHEREAS, LMHA staff and LMHA's Environmental Consultant developed an RFP for an annual contract with a fee not to exceed \$200,000 to be utilized as needed for this project; and

WHEREAS, the project was advertised in The Courier-Journal, The Louisville Defender, and the Housing Agency Marketplace, and on December 6, 2022 proposals for providing the requisite services were received and evaluated; and

WHEREAS, staff reviewed the proposals and determined that the proposal submitted by National Environmental Contracting, Inc. (NEC) is the most acceptable proposal for the work to be performed, and staff recommends award to them; and

WHEREAS, this contract is for a period of one year, with an option to be extended up to four additional one-year terms.

WHEREAS, the Annual Environmental Abatement Contract for Region 2 includes Avenue Plaza, 500 Apartments, Dosker Manor, St. Catherine Court, United Building, Central Maintenance and Purchasing, and approximately 485 scattered sites units located at various locations throughout the city including 655 Country Club Road, 807 E. Gray Street and 1131 S. 6<sup>th</sup> Street.

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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 the Annual Environmental Hazard Abatement Contract – Region 2 with NEC in the amount not to exceed \$200,000.

## RESOLUTION BACKGROUND STATEMENT

### APPROVAL OF ANNUAL ENVIRONMENTAL HAZARD ABATEMENT CONTRACT - REGION 2

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#### **I. STATEMENT OF FACTS:**

The U.S. Department of Housing and Urban Development provided LMHA funding under the Capital Fund Program for maintenance and modernization of existing buildings, including abatement of asbestos, lead, mold and environmental hazards where present and as they arise in the course of agency operations. When such hazards arise, LMHA must eliminate them. To protect its interests, LMHA requires an Environmental Hazard Abatement Contractor to conduct abatement services on an as-needed basis.

In the last few years, the bulk of the work under the Annual Environmental Abatement Contract (about 75%) has been for mold remediation, followed by Covid cleanings (small areas under 2,000 sf) and then other environmental hazards; the workload for environmental abatement services has increased significantly. The current contract, which expires in January 2023, has been divided in two separate regions to allow LMHA more flexibility in responding, coordinating and managing these services with the sites in a timely manner.

In accordance with HUD's Procurement Handbook 7460.8 Rev. 2 and LMHA's Procurement Policy, a "Request for Proposals" (RFP) was prepared and issued for an Annual Environmental Hazard Abatement Contract – Region 2. Per the policies, this procurement method is utilized for non-construction services such as environmental abatement, in which proposal evaluations and contractor selection are based on the evaluation criteria and factors for award as stated in the RFP. Under this procurement method, a contract award is based on the best proposal responsive to the requirements of the statement of work resulting in the greatest benefit and best value to the agency, which may not necessarily be primarily determined based on price. This RFP also provided LMHA with various options to cancel or reject, in whole or in part, any and all proposals received in response to this solicitation, and it also gave LMHA the sole and absolute discretion to make one or multiple awards as a result of this solicitation.

The project was advertised on November 6, 2022 in The Courier Journal, the Housing Agency Marketplace and LMHA's Website; and on November 7, 2022 in The Louisville Defender; reaching at least 877 companies that we can confirm received an "invitation for bids" as follows:

MBE / African-American Business Enterprise	150 (17%)
MBE / Asian Indian-American Business Enterprise	16 ( 2%)
MBE / Asian Pacific-American Business Enterprise	15 ( 2%)

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

MBE / Hasidic Jew Business Enterprise	3 ( 0%)
MBE / Hispanic American Business Enterprise	93 (11%)
MBE / Native American Business Enterprise	8 ( 1%)
WBE / Woman-owned Business Enterprise	187 (21%)
DBE / Disabled-owned Business Enterprise	0 ( 0%)
NONE (Not MBE, WBE or DBE-owned)	496 (56%)
SECTION 3 Business	78 (21%)

From the 877 companies listed above, a total of 16 companies downloaded and reviewed the RFP as follows:

WBE / Woman-owned Business Enterprise	4 (25%)
NONE (Not MBE, WBE or DBE-owned)	12 (75%)

On December 6, 2022, two proposals were received from the following firms:

- Abatement Solutions Technologies, Inc. (AST)
- National Environmental Contracting, Inc. (NEC)

The proposals were reviewed by the Procurement Committee (Dan Farrell, Kathleen O'Neal and Jeff Ralph) and both were initially found to be responsive in terms of the submission and content of the proposals. The proposals were then evaluated and graded based on the following evaluation factors:

- Experience and Qualifications
- Timeliness
- Project Staffing and Organization
- Proximity to Project Location
- Form of Bid and Fees
- Quality of Work and Insurance Coverage

The Procurement Committee determined the proposal from AST had the highest ranking with an average of 97.6 points (out of 100). The proposal from NEC came in second place ranking with an average point of 82.6 (out of 100). All evaluation factors and requirements of the RFP considered, and taking into account the current workload, labor shortages and supply chain challenges, and as allowed by the policies for this particular type of solicitation method, a recommendation to award the Annual Environmental Abatement Contract – Region 2 to NEC in the amount not to exceed \$200,000.00 has been made, as it provides the greatest benefit and best value to the agency. The contract has an option to be extended up to four additional one-year terms.

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

This company, who will be doing the work entirely with its own workforce (no subcontractors), will have a dedicated team of 99 employees for this contract, of which 50% are minorities.

#### II. ALTERNATIVES:

- A. Approve award of the Annual Environmental Hazard Abatement Contract – Region 2 to NEC in the amount not to exceed \$200,000.
- B. Do not approve award of the contract at this time.

#### III. RECOMMENDATION:

Staff recommends Alternative “A”.

#### IV. JUSTIFICATION:

- The Annual Environmental Hazard Abatement Contract – Region 2 will provide a qualified and experienced team that will be immediately available to perform environmental hazard abatement work on projects that develop in the course of agency operations.
- The proposal submitted by NEC was found to be responsive in terms of the submission and content of the proposals. The proposal was also found to have the greatest benefit and best value to the agency.

- The fees submitted by NEC have been reviewed by staff and found to be reasonable and acceptable. An example of fees for a typical job is as follows:

Removal of mold impacted gypsum board to incl. insulation and trim (Layers 1-4) and removal of impacted/ water damaged cabinets	\$301.00
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- This firm has successfully completed projects for LMHA in the past and were the previous annual contract holder.

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**V. BUDGET APPROVAL:**

Funding for this contract will be sourced from the program related to a specific project.

\_\_\_\_\_  
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.

\_\_\_\_\_  
Steven Webb, Purchasing Agent

\_\_\_\_\_  
Date

Prepared and Submitted by: Norma Asyn Ward, Director of Capital Improvements  
LaTasha Kilgore, Design Tech II/ G.I Coordinator  
December 20, 2022