

RESOLUTION NO. _____

**APPROVAL TO RENEW THE ANNUAL ENVIRONMENTAL HAZARD
ABATEMENT CONTRACT - REGION 2**

Item No. 5F

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, in accordance with LMHA procurement procedures, awarded a contract to National Environmental Contracting, Inc. (NEC) to provide as-needed abatement of hazardous materials services for a period of one year; and

WHEREAS, the contract awarded to NEC for a period of one year included an option provision whereby LMHA may renew the contract up to four additional years; and

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. 6th Street.

NOW, THEREFORE, BE IT RESOLVED BY THE LOUISVILLE METRO HOUSING AUTHORITY BOARD OF COMMISSIONERS, that the Executive Director and Contracting Officer is hereby authorized to renew the Annual Environmental Hazard Abatement Contract – Region 2 with NEC for the abatement of hazardous materials at Louisville Metro Housing Authority (LMHA) properties with an annual fee not to exceed \$300,000.

RESOLUTION BACKGROUND STATEMENT

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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.

The bulk of the work under the Annual Environmental Hazard Abatement Contracts (about 75%) has been for mold remediation, although there have been other environmental hazards, including Asbestos Containing Materials (ACMs) and Lead-Based Paints (LBPs) and in the last year, Fentanyl clean-ups. In order to manage the large volume of inspections, testing and abatement of environmental hazards, LMHA divided its properties into in 2 separate regions to allow LMHA more flexibility in responding, coordinating and managing these services with the sites in a timely manner.

The current contract for Region 2 was awarded for \$200,000. With about two months left of this period, the contract has reached its current limit. Below is the utilization for the current contract year:

Contract Amount:	\$ 200,000.00
Invoiced to date:	\$ 111,405.90
Obligated work to be invoice/ scheduled:	<u>\$ 91,292.11</u>
Remaining balance current year:	(\$ 2,698.01)

The contract will expire on January 8, 2024, unless LMHA exercises the first option to renew it. Exercising this option will save LMHA considerable time and resources from having to prepare, advertise and bid a new contract. Although the original contract amount was for a fee not to exceed \$200,000, due to recent events and anticipating an increase in requests for environmental testing and/or abatement, staff strongly recommends the contract be renewed for an additional \$100,000, for a total contract amount of up to \$300,000. This increase will likely guarantee LMHA can respond in a timely manner to any and all requests for abatement of environmental hazards. The LMHA Procurement Committee (LaTasha Kilgore, Phil Reidinger, Keith McCarthy and Matt Swain) has sanctioned this renewal.

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

Staff has been pleased with the performance of NEC, who have obtained an "Above Average" rating in their yearly performance evaluation. The company, who will be doing the work entirely with its own workforce (no subcontractors), will have a dedicated team of 31 employees for this contract, of which 58% are minorities.

II. ALTERNATIVES:

- A. Renew the Annual Environmental Hazard Abatement Contract – Region 2 to NEC in the amount not to exceed \$300,000.
- B. Do not renew 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.
- This increase of \$100,000, for a total contract amount of up to \$300,000, will likely guarantee LMHA can respond in a timely manner to any and all requests for abatement of environmental hazards for the next contract year period.
- The fees submitted by NEC, which were reviewed by staff when they were originally submitted, and were found to be reasonable and acceptable, will remain the same for this year.
- NEC has obtained a performance rating of "Above Average" by staff (highest grading).
- NEC will be performing the work with its own workforce (no subcontractors), which consists of 58% minorities.

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V. BUDGET APPROVAL:

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

Jeffrey Ralph, 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:

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LaTasha Kilgore, Design Tech II/ G.I. Coordinator
November 21, 2023