

HACSA MEMORANDUM

HACSA
04-6-30-1H

TO: HACSA Board of Commissioners

PRESENTED BY: Craig Satein, Weatherization Supervisor

AGENDA ITEM TITLE: ORDER/In the Matter of Accepting Bids and Awarding Contracts for the Weatherization of Homes, Phases 04-W-0040 and 04-W-0041

AGENDA DATE: June 30, 2004

I. MOTION

IT IS MOVED THAT EMERALD VALLEY WEATHERIZATION BE AWARDED A \$200,000 CONTRACT FOR PHASE 04-W-0040 AND THAT WESTERN WEATHERIZATION BE AWARDED A \$250,000 CONTRACT FOR PHASE 04-W-0041 FOR THE WEATHERIZATION OF HOMES PROJECT; AND THAT AN ORDER BE SIGNED TO THIS EFFECT; AND THAT AGREEMENTS BE EXECUTED BY THE EXECUTIVE DIRECTOR IN ACCORDANCE WITH THE BID DOCUMENTS.

II. ISSUE

To award requirements contracts to the lowest responsive and responsible bidders to weatherize homes of low-income residents in Lane County.

III. DISCUSSION

A. Background

The Agency contracts with private businesses to install weatherization measures for low-income families in Lane County. This Board Order for Phases 04-W-0040 and 04-W-0041, is the fourth sealed bid opening for our weatherization program this calendar year. This bid invitation was advertised in the Register Guard. Three

contractors responded to the solicitation and attended our pre-bid meeting, but only two contractors provided bids; Emerald Valley Weatherization, and Western Weatherization.

The Agency has been contracting on a requirements basis with the private sector for the past twenty-one years to provide labor and materials to weatherize the homes of low-income residents of Lane County. Contractors submit bids as a price per unit measure for typical weatherization items. For example; cost per square foot of attic and floor insulation. A weighted formula is used to determine an adjusted price per house and is the basis for determining the lowest bidder. HACSA has capped bid unit prices based upon fair market costs for the eight items which are competitively bid. Another fourteen weatherization items have a fixed fair market price assigned to them.

During the past decade, due to the declining pool of weatherization contractors, HACSA has employed various bid strategies for the purpose of evaluating market competition. In some cases we've limited the number of contracts awarded to any one contractor. We've also changed contract amounts (increase / decrease) and the number of multiple bid openings. Although these various strategies have yielded mixed results, we enjoy continued success in providing cost effective community services.

This year will prove equally successful based upon the bid results. This year, Emerald Valley Weatherization was the low bidder for both phases. Surprisingly, one week following the bid opening, Emerald Valley, submitted a request to be relieved of one contract. They cited concerns about their ability to successfully perform on the volume of work and stated they did not anticipate winning both contracts.

Even though Emerald has been one of our best performing contractors in the past, after discussing their business concerns, we've determined that it would be in the public's best interest to grant their request for relief. Consequently, it is our recommendation to award the second contract to the next lowest contractor, Western Weatherization. Since the difference between Emerald's bid and Western's bid for phase 04-W-0041 is less than 1 percent, we feel confident that Western will perform the contract requirements dutifully. This recommendation will benefit the public since weatherization services will be provided at the least possible cost. Additionally, HACSA's weatherization program will continue to remain flexible while maintaining sufficient contract capacity to service community needs.

The bids for the two separate phases compare favorably to the bids received last year. The low bid of \$ 2,142.50 (Phase 04-W-0040) and \$ 2,105.50 (Phase 04-W-0041) range from a modest 2 percent to as little as ½ percent higher than the low bids from last year.

B. Analysis

The bids received for Phase 04-W-0040 were as follows:

- | | | |
|----|------------------------|----------------------|
| 1. | Emerald Valley Wz. | \$2,142.50 per House |
| 2. | Western Weatherization | \$2,391.50 per House |

The bids received for Phase 04-W-0041 were:

- | | | |
|----|------------------------|----------------------|
| 1. | Emerald Valley Wz. | \$2,105.50 per House |
| 2. | Western Weatherization | \$2,124.00 per House |

C. Alternatives/Options

HACSA could rebid the second phase. However, with the limited competition demonstrated over the past decade, we believe that the bid prices would be substantially higher. To the extent that budget funds are available, it is recommended that both requirement contracts be awarded.

D. Recommendation

It is recommended that contracts be awarded to Emerald Valley Weatherization and Western Weatherization .

E. Timing

Upon bid award, contractors shall have ten days to provide the Agency with performance security bonds of \$200,000 for Phase 04-W-0040, and \$250,000 for Phase 04-W-0041. It is anticipated that all other necessary documents can be processed by the middle of July and that work will commence shortly thereafter.

IV. IMPLEMENTATION/FOLLOW-UP

As in item III. E.

V. ATTACHMENT

A. Bid Recap Sheet

**IN THE BOARD OF COMMISSIONERS OF THE
HOUSING AND COMMUNITY SERVICES AGENCY OF
LANE COUNTY, OREGON**

ORDER NO.

**)In the Matter of Accepting Bids and
)Awarding Contracts for the Weatherization
)of Homes, Phases 04-W-0040 and
)04-W-0041**

WHEREAS, at a duly publicized time and place on May 21, 2004, Craig Satein of the Housing and Community Services Agency of Lane County, Oregon, publicly opened bids for the following projects:

Furnishing all labor and most materials to perform the Weatherization of Homes, Phases 04-W-0040 and 04-W-0041, in strict accordance with the project specifications prepared by the Agency.

WHEREAS, the lowest responsive bidder for contract 04-W-0040 was Emerald Valley and the lowest responsive bidder for contract 04-W-0041 was Western Weatherization; the Executive Director having so recommended;

ORDERED, that Emerald Valley Weatherization be awarded a \$200,000 requirements contract Phase 04-W-0040 and that Western Weatherization be awarded a \$250,000 requirements contract Phase 04-W-0041 for the Weatherization of Homes Project and that the agreements be executed by the Executive Director in accordance with the bid documents. The contractors shall present performance and payment bonds for the full contract amounts and shall satisfactorily complete all work within the specified contract time.

DATED this _____ day of _____, 2004

Chairperson, HACSA Board of Commissioners

APPROVED AS TO FORM
Date 6/21/04 Lane County
Craig Satein
OFFICE OF LEGAL COUNSEL

In the Matter of Accepting Bids and Awarding Contracts for the Weatherization of Homes, Phases 04-W-0040 and 04-W-0041.

BID RECAP SHEET

**Private Contractor Weatherization Project
Phases 04-W-0040 and 04-W-0041**

Phase 04-W-0040 bid opening results were as follows:

	<u>Contractors</u>	<u>Amount</u>
1.	Emerald Valley Wz.	\$2,142.50 per House
2.	Western Weatherization	\$2,391.50 per House

Phase 04-W-0041 bid opening results were as follows:

	<u>Contractors</u>	<u>Amount</u>
1.	Emerald Valley Wz.	\$2,105.50 per House
2.	Western Weatherization	\$2,124.00 per House

This is a true and accurate account of the bid openings for each of the weatherization projects held May 21, 2004



Craig Satein, Weatherization Supervisor