

HACSA MEMORANDUM

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 06-R-0039 and 06-R-0040

AGENDA DATE: August 30, 2006

I. MOTION

IT IS MOVED THAT EMERALD VALLEY WEATHERIZATION BE AWARDED A \$150,000 CONTRACT FOR PHASE 06-R-0040, AND THAT CLOUDCAP CONSTRUCTION BE AWARDED A \$100,000 CONTRACT FOR PHASE 06-R-0039, 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 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. HACSA has been contracting on a requirements basis with the private sector for the past twenty-three 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 providing cost-effective community services.

Earlier this year, one of our long standing local weatherization contractors retired. This seemingly minor event, shifted a large volume of work onto our other weatherization contractor who wasn't able to keep pace with the workload. In response to this predicament and recognizing the critical need of having more than one contractor in order to effectively deliver weatherization services, we intentionally restricted the number of contracts to only one that would be awarded to any single contractor.

This bid opening, Emerald Valley Weatherization was the low bidder with identical bid prices, for both phases. We are recommending that Emerald Valley be awarded only one contract, for phase 06-R-0040. Also, it is our recommendation that the second contract be awarded to the next lowest contractor, Cloudcap Construction for phase 06-R-0039. Even though the bid prices differ significantly, we feel this recommendation will beneficially serve the public in two important ways. Weatherization services will be provided at an affordable cost and HACSA's weatherization program will continue to remain flexible while maintaining sufficient contracting capacity to effectively serve community needs.

The bids received this year are significantly higher than the bids received last year. The lowest bid of \$ 3,120 for both phases, is 18 percent higher than the low bid from last year. Predictably, much of this increase is attributable to the rising cost of petroleum based products and transportation. Additionally, the building trades are exceptionally busy, which allows contractors to "pick and choose" jobs and drives labor costs upwards.

B. Analysis

The bids received for Phase 06-R-0039 were as follows:

1. Emerald Valley Wz. \$3,120 per House
2. Cloudcap Construction \$4,133 per House

The single bid received for Phase 06-R-0040 was:

1. Emerald Valley Wz. \$3,120 per House

C. Alternatives/Options

HACSA could rebid the first phase. However, with the limited competition demonstrated over the past decade, we believe rebidding will yield similar prices or even higher. To the extent that budget funds are available, it is our recommendation that both requirement contracts be awarded.

D. Recommendation

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

E. Timing

Upon bid award, contractors shall have ten days to provide the Agency with performance security bonds of \$150,000 for Phase 06-R-0040, and \$100,000 for Phase 06-R-0039. We anticipate that all other necessary documents can be processed by the middle of September and that work will commence shortly thereafter.

IV. IMPLEMENTATION/FOLLOW-UP

As in item III. E.

V. ATTACHMENT

- A. Bid Recap Sheet

BID RECAP SHEET

Private Contractor Weatherization Project


Phase 06-R-0039 bid opening results were as follows:

	<u>Contractors</u>	<u>Amount</u>
1.	Emerald Valley Wz.	\$3,120 per House
2.	Cloudcap Construction	\$4,133 per House

Phase 06-R-0040 bid opening results was as follows:

	<u>Contractor</u>	<u>Amount</u>
1.	Emerald Valley Wz.	\$3,120 per House

This is a true and accurate account of the bid openings for each of the weatherization projects held July 21, 2006



Craig Satein, Weatherization Supervisor

**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 06-R-
0039 and
)06-R-0040**

WHEREAS, at a duly publicized time and place on July 21, 2006, Craig Satein of the Housing and Community Services Agency of Lane County, Oregon, publicly opened bids for the following projects:

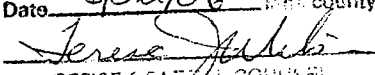
Furnishing all labor and most materials to perform the Weatherization of Homes, Phases 06-R-0039 and 06-R-0040, in strict accordance with the project specifications prepared by the Agency.

WHEREAS, the lowest responsive bidder for contract 06-R-0040 was Emerald Valley Weatherization, and Cloudcap Construction was the second lowest responsive bidder for contract 06-R-0039, and; the Executive Director having so recommended;

ORDERED, that Emerald Valley Weatherization be awarded a \$150,000 requirements contract for Phase 06-R-0040 and that Cloudcap Construction be awarded a \$100,000 requirements contract for Phase 06-R-0039, 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 _____, 2006

Chairperson, HACSA Board of Commissioners

APPROVED AS TO FORM
Date 8/22/06 Lane County

OFFICE OF LEGAL COUNSEL

In the Matter of Accepting Bids and Awarding Contracts for the Weatherization of Homes, Phases 06-R-0039 and 06-R-0040.