

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Rental Assistance Demonstration (RAD)
Capital Needs Assessment
AMPs 1 – 8 (MN001000001 – 8)
Contract No. 18-056

DATE October 25, 2017

Staff recommends Board approval to award a contract in the amount of \$131,592.48 to Clampett Industries LLC dba EMG Corporation of Owings Mills, Maryland to provide professional services to complete Capital Needs Assessments as required by HUD for the PHA's applications to convert 3,852 units of public housing in eight Asset Management Projects (AMPs 1-8) to project-based Section 8 subsidies through the Rental Assistance Demonstration (RAD). A tabulation of the four proposals that were received September 29, 2017 and a summary of the staff's evaluations are attached.

On August 23, 2017 the Board approved submitting the eight applications for RAD conversions and they were submitted to HUD on August 25, 2017. After HUD staff review the applications, they will issue a Commitment to Enter into a Housing Assistance Payment Contract (CHAP) for each accepted application. The PHA then has 180 days to submit a RAD Financing Plan for each AMP, which must be accompanied by both the RAD Capital Needs Assessment and a RAD Environmental Assessment. Staff awarded an informal contract (No. 18-058) to EMG in the amount of \$29,500 for preparation of RAD Environmental Assessments, as described in an informational report also on this meeting's agenda.

Each RAD Capital Needs Assessment includes these three elements:

1. A Physical Condition Assessment that identifies current critical needs, needs to be corrected during the first year after conversion and needs that will have to be corrected during the subsequent 20 years;
2. An Energy Audit; and

3. Utility Consumption baseline benchmarking.

The Capital Needs Assessment will allow the PHA to budget for future building improvements in addition to meeting the RAD Financing Plan requirements.

Staff advertised the request for proposals (RFP) for these services in local newspapers and sent it to consultants listed on HUD's RAD Capital Marketplace. Four proposals were received; and PHA staff rated them independently on the criteria stated in the RFP including:

1. Previous experience on similar projects;
2. Quality of proposed capital needs assessments;
3. Quality of response to the RFP and professional and technical competence;
4. MBE/WBE status or other affirmative action efforts;
5. Section 3 Action Plan; and
6. Cost.

The evaluation committee selected EMG as the contractor best able to meet the PHA's RAD Capital Needs Assessment needs. A summary of the proposal evaluations is attached. EMG has satisfactorily completed energy audits for the PHA in the past.

A copy of the Employer Information Report for EMG and the second highest-rated proposer, Dominion Due Diligence Group, are attached. EMG will meet the PHA's Section 3 requirements by providing an internship for one resident during the contract period. EMG will meet the PHA's 5% WBE/DBE goals by subcontracting 10% of the work to a WBE subcontractor.

Sufficient funding for this contract is provided by the PHA Operating Budget.

DAL

Attachment: Equal Employment Opportunity Reports, EEO-1
Tabulation of Proposed Costs
Summary of Proposal Evaluations