

On January 23, 2019, the Saint Paul Public Housing Agency (PHA) Board of Commissioners approved the following actions:

- Resolution in Recognition of Dedicated Service by BettyLou Authier
- Wide Area Network Communications; Contract No. 19-072
- Recommendation to Reject Bids for Replacing Hi-Rise Trash Compactors; Contract No. 19-084
- Wilson Hi-Rise Electrical System Replacement; Contract No. 19-087
- Audit Services Contract No. 18-112 Amendment No. 1
- Dunedin Terrace Modernization Phase 4, AMP 8, MN 1-9; Contract No. 19-079
- Agency Plans for Fiscal Year 2020 and Fiscal Year 2019, Version 4; Rental Assistance Demonstration (RAD) Conversion Details; Special Purpose Units; Excess Utility Charges



RESOLUTION IN RECOGNITION OF DEDICATED SERVICE

By

BETTYLOU AUTHIER

Whereas, BettyLou Authier served the Saint Paul Public Housing Agency and its residents for over 30 years, from October 3, 1988 until her retirement on January 31, 2019; and

Whereas, she provided distinguished service in many ways, including the following:

- BettyLou began working for the Agency in 1988 as a temporary Maintenance Support Service Supervisor, where she immediately displayed an aptitude for high performance and a great work ethic.
- In 1989 BettyLou was hired as an Office Manager, later reclassified (twice) to the title of Maintenance Manager.
- In 2000 BettyLou was promoted to Maintenance Senior Manager, a position she held successfully for fourteen years.
- In 2014 BettyLou served as the Interim Maintenance Director until her promotion to Maintenance Director in 2016, continuing her outstanding leadership of the Department.
- Throughout her 30+ years with the PHA, BettyLou demonstrated her commitment to the Agency's mission, residents and community by serving with professionalism and a consistent pursuit of excellence in all aspects of her work, which made her an invaluable member of the Maintenance Department and the PHA's Senior Staff team.

In all these ways, BettyLou contributed to the Agency's exemplary record that includes ongoing High Performer ratings from HUD, and the PHA's national reputation for outstanding public housing maintenance and administration.

NOW THEREFORE BE IT RESOLVED, that we, the Board of Commissioners of the Public Housing Agency of the City of Saint Paul, on behalf of the Board, the staff, and residents, do recognize and hereby acknowledge with deep appreciation, respect, and admiration the services provided to the Agency and the community by BettyLou Authier and we wish her well in her retirement.

January 23, 2019

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Wide Area Network Communications
Contract No. 19-072

DATE January 23, 2019

Staff recommends awarding a three-year contract for wide area network (WAN) and internet communications to Comcast Business Services for an amount of \$417,096. The actual increase in cost to the PHA will be a net \$348,948, since this contract will absorb an existing contract with Comcast for connections to three locations, with a remaining contract cost of \$68,148. This contract will increase connection speeds at eleven hi-rises¹, as well as increasing the capacity for the Central Administrative Office (CAO) to handle all of the high-speed fiber connections from the remote sites. All PHA locations are now linked by fiber connections. These data communication links are required for operations of PHA desktop computers, desk phones and the Energy Management System (EMS), as well as printers, security cameras, and the hi-rise card access systems.

Staff published a Request for Proposals (RFP) in November 2018 and received five proposals from providers. Four staff from across the Agency evaluated the proposals independently (see attached evaluation summary). The evaluation criteria stated in the RFP were quality of solution proposed, depth of overall solution to meet requirements, and thoroughness of the response, total cost including one-time/non-recurring fees, professional and technical competence and related experience, service level agreements, MBE/WBE and affirmative action efforts, and Section 3 efforts.

¹ Five of the hi-rises (Mt. Airy, Valley, Wabasha, Exchange and Dunedin) already have high-speed data connections to the CAO. This contract will provide faster data communications at the other eleven hi-rises: Front, Hamline, Seal, Edgerton, Iowa, Wilson, Central, Neill, Ravoux, Cleveland and Montreal.

Comcast Business Services received the highest average score based upon the stated evaluation criteria. Comcast Business Services received the fiber contract for McDonough and Roosevelt earlier this fiscal year (the locations rolled into this contract), and has performed satisfactorily.

Because this contract is primarily for specialized professional services and leasing the vendor's communications infrastructure, it is not subject to the Section 3 Policy's requirement for contributing to the PHA's Section 3 Training Fund. The dollar amount of this contract will be included in the total of non-construction contracting activity that the PHA reports to HUD on the annual Section 3 report.

Staff expects \$139,032 to be spent on this contract each year. Sufficient funds for this contract will be requested in the FY2020 and any future budgets.

RPM

Attachment: Evaluation Summary

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Recommendation to Reject Bids for
Replacing Hi-Rise Trash Compactors;
Contract No. 19-084

DATE January 23, 2019

Staff requests Board approval to reject all bids for replacing trash compactors at thirteen hi-rises because the only bids received exceeded both staff's estimates and the amount budgeted for the work. Staff advertised the specifications for this formal contract (No. 19-084) and received bids from DMH Companies and Sani-Tech. The tabulation of bids from the January 9, 2019 bid opening is attached. Anticipating that the bids might come in high, staff included a "deduct alternate" line item in the specifications, asking bidders to state the savings if three compactors were removed from the contract (that is, replace ten compactors instead of thirteen). However, both contractors filled out the deduct alternate bid item incorrectly. Staff consulted PHA legal counsel, who advised that the erroneous deduct alternate submissions should not be evaluated as though they were properly responsive. The bids should be evaluated on the properly submitted base bid amounts. In any event, the apparent bids for the reduced scope of work would still have been too high.

The contract was publicly advertised in accordance with the PHA Purchasing Policy. Three contractors indicated they were interested in submitting bids for the work. Staff were in contact with each interested bidder throughout the bidding process. One of the three contractors decided not to bid after reviewing the documents, saying the job was too large for their capabilities.

Based on the bid prices received and the budget available, staff plans to draft a revised bid package for replacing eight trash compactors instead of thirteen. There are sufficient funds in the 2018 Capital Fund Program (CFP) grant to pay for the reduced scope of work.

KYY/JTL

Attachments: January 9, 2019 Bid Tab

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Wilson Hi-Rise Electrical System
Replacement; Contract No. 19-087

DATE January 23, 2019

Staff requests Board approval to award a contract for replacing the electrical system at Wilson Hi-Rise to the lowest responsible bidder, Preferred Electric of Minneapolis, Minnesota, in the total bid amount of \$375,000. A copy of the January 10, 2019 bid tabulation is attached.

In the summer of 2015, there was a power failure that partially damaged the buss duct power supply in the building. During the summer of 2016 a second power outage caused similar damage, along with triggering a sprinkler head that released water onto the buss duct. This caused damage to the insulation in the buss duct itself. Staff had testing done to the duct in the summer of 2017 and again during the summer of 2018. During the 2018 inspection, it was discovered the damage was significant enough to require replacing the system.

This contract will consist of installing a temporary power supply to serve all floors of the hi-rise while the buss duct is replaced, removing the existing buss duct and main switchgear system and replacing it with a new system. The contract will also include relocating the main switchgear from the building's garage into the vacated paint storage room near the garage.

Preferred Electric has not worked with the PHA previously. Staff checked their references and received favorable responses about their performance as an electrical contractor on similar projects. Copies of the Employer Information Reports for Preferred Electric, and the second lowest bidder, NAC, are attached.

Preferred Electric will comply with the PHA's Section 3 Policy by hiring new employees for the duration of this project and at least 30% of new employees will be qualified Section 3 residents.

Preferred Electric is a Disabled-Owned Business Enterprise (DBE). Preferred Electric will subcontract 10.1% of the contract amount to Minority-Owned Business Enterprises (MBE) and 39.9% of the contract amount to Women-Owned Business Enterprises (WBEs).

This bid amount is within the engineer's estimate. There are sufficient funds available in the Capital Fund Program (CFP) grant budgets to accomplish this work.

TDB/JPR

Attachments: Tabulation of Bids
Employer Information Report EEO-1

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Audit Services
Contract No. 18-112, Amendment No. 1

DATE January 23, 2019

Staff recommends approval of Amendment No. 1 to Contract No. 18-112 with Baker Tilly Vichow Krause LLP to add \$73,650 for audit services for FY 2019. The Board approved a one year contract for \$70,535 on March 28, 2018, with options to renew for up to two additional years at rates to be negotiated. This amendment is for the first year of those two additional years.

The proposed contract amount includes a 3% fee increase over the previous year, plus an additional \$1,000 for compliance review of GASB 75*, which updates the calculation and reporting requirements for "Other Post Employment Benefits" (retiree health insurance coverage before the age of 65). The total cost increase for this second year would be \$3,115, 4.4% more than the first year of the contract.

The amendment sets the date for the FY 2019 audit presentation to the Board as August 28, 2019. The cost history of this contract, including amendments, is shown below.

Amendment Number	Amount of Add or (Deduct)	New Total	Audit Services for FY	New Completion Date
Contract 18-112	\$70,535	\$70,535	2018	08/22/18
Amendment # 1	\$73,650	\$144,185	2019	08/28/19

Sufficient funds will be recommended in the FY 2020 Operating Budgets for this contract.

RPM

* Statement No. 75 from the Governmental Accounting Standards Board

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Dunedin Terrace Modernization Phase 4
AMP 8, MN 1-9
Contract No. 19-079

DATE January 23, 2019

Staff requests Board approval to award a contract for Dunedin Terrace Modernization Phase 4 (AMP 8, MN 1-9), to the lowest responsible bidder, Minnesota Construction Inc., Apple Valley, Minnesota, for \$2,448,000. A copy of the January 11, 2019 bid tabulation is attached. That amount is within the PHA's available budget for the work.

About 40% of the cost will be paid by a \$1 million forgivable loan from Minnesota Housing (Minnesota Housing Finance Agency; MHFA) under the Publicly Owned Housing Program (POHP). The Board approved applying for the PHOP funding on November 22, 2017 and Minnesota Housing's board approved the loan in April 2018. A copy of that report is attached. PHA staff is working with Minnesota Housing staff to complete their procedural checklists which will allow them to issue a formal commitment.

Staff solicited bids by advertising in local newspapers and trade publications, and contacting several local general contractors to encourage them to bid on the work. Despite these efforts, only two contractors submitted bids, Minnesota Construction and Frerichs Construction.

The Phase 4 work will begin in the Spring of 2019 and be completed by the end of calendar year 2019. Phase 4 includes sixteen units in four fourplexes, to complete the interior and exterior modernization work at all 88 units (22 fourplex buildings) in Dunedin Terrace. The Dunedin Terrace family townhouse apartments and the adjacent Dunedin Hi-Rise (143 apartments) were first occupied in 1966. Eighteen buildings (72 dwelling units) at Dunedin Terrace were already

modernized utilizing Capital Fund Program funding as well as other grants/loans from Minnesota Housing. The average cost of improvements for the Phase 4 work will be \$153,000 per dwelling unit including site work.

The alterations to the buildings include converting flat roofs to hipped roofs, replacing windows, replacing second floor siding, removing brick wing walls, totally replacing kitchens and bathrooms, and other miscellaneous interior and site work. Three of the buildings in Phase 4 contain four-bedroom units and one building contains five-bedroom units.

The Dunedin Terrace modernization project began with construction of a prototype unit in 2012, followed by award of the Phase 1 construction contract in January 2013. Phases 2 and 3 began in the next two years, but Phase 4 was deferred so the limited Capital Fund Program grants could be used for other urgent capital improvement needs including hi-rise plumbing replacements.¹

The full history is as follows:

Dunedin Terrace Modernization	Board Approval	Contract Cost (Including Change Orders)	Cumulative Cost
Phase 1	1/23/2013	\$3,206,009	\$3,206,009
Phase 2	2/26/2014	\$1,433,253	\$4,639,262
Phase 3	2/25/2015	\$2,468,998	\$7,108,260
Phase 4	<i>[Recommended 1/23/2019]</i>	<i>\$2,448,000</i>	<i>\$9,556,260</i>

¹ The Agency applied for outside funds to complete the Dunedin Terrace modernization, submitting applications to Minnesota Housing in 2014 and the Federal Home Loan Bank of Des Moines in 2016 and 2017. Those applications were not funded.

Minnesota Construction has performed satisfactorily on previous PHA contracts, including Mt. Airy Homes Exterior Modernization Phases 1, 2, and 3. A copy of the Employer Information Reports for Minnesota Construction and the second low bidder, Frerichs Construction, are attached. Minnesota Construction intends to subcontract 25 % of the contract work to minority business enterprises (MBE) and 20 % of the contract work to women-owned business enterprises (WBE). Minnesota Construction will comply with the PHA's Section 3 Policy by providing building trades pre-apprenticeship opportunities for PHA residents by participating in the "Step Up" program and by awarding at least 25% of the subcontracted work to certified Section 3 businesses.

Supplemented by the \$1 million forgivable loan from Minnesota Housing, there are sufficient funds from the 2017 and 2018 Capital Fund Program grants to accomplish this work.

JTL/mlp

Attachments: Bid Tabulation
Minnesota Construction Employer Information Report (EEO-1)
Frerichs Construction Employer Information Report (EEO-1)
Minnesota Housing Board Resolution No. 18-006, April 26, 2018

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Agency Plans for Fiscal Year 2020 and
Fiscal Year 2019, Version 4;
Rental Assistance Demonstration (RAD)
Conversion Details; Special Purpose Units;
Excess Utility Charges

DATE January 23, 2019

Staff recommends Board approval of three actions relating to the pending conversion of public housing units to Project-Based Rental Assistance (PBRA) through RAD (HUD's Rental Assistance Demonstration). These actions are necessary to add three units to the number of public housing units converting to PBRA through RAD, bringing the total to 3,855; and to adjust the baseline contract rent to account for excess utility surcharges, as explained below.

Special Purpose Units. The eight applications for RAD conversions approved by the Board on August 23, 2017 included all of the dwelling units in the sixteen hi-rises and the family units in McDonough Homes, Mt. Airy Homes, Roosevelt Homes and Dunedin Terrace, totaling 3,852 units.¹ However, following guidance from one of our RAD consultants, staff did not include three hi-rise apartments used as "special purpose units". Those are two program units for Amherst H. Wilder Foundation's Assisted Living Program (ALP) at Hamline Hi-Rise (AMP 2) and one program unit for Accessible Space, Inc. at Valley Hi-Rise (AMP 5). Accordingly, on August 20, 2018 HUD awarded the CHAPs (Commitments to Enter into Housing Assistance

¹ The PHA did not apply to convert the 418 scattered site units under RAD.

The total number of units converting under RAD shown in previous reports was 3,852, which included the 12 new development units at McDonough Homes (AMP 13) but not the three "special purpose units" in hi-rises. Without the 12 McDonough units or the special purpose units, 3,840 units are included in the eight CHAPs that have been awarded. Adding the three special purpose units brings the total to 3,843. With the 12 new McDonough units, the grand total undergoing RAD conversion will be 3,855. (On August 22, 2018 the Board approved submitting a RAD application for AMP 13. HUD has not awarded a CHAP for that project yet.)

Payments Contracts) that did not include those three units. Recently staff learned that the three units should be included in the RAD conversions to PBRA, and failing to do so would complicate administration for both the PBRA properties and the residual public housing program in the future. Since these units are currently approved as “non-dwelling” units, the PHA is allowed to adjust the baseline contract rent for all units by the amount of subsidy these units are eligible to receive in the RAD formula (Operating and Capital Fund amounts only). The dollar amount is minimal but it increases the baseline amount on which future inflation adjustments will be based. For these reasons staff is recommending that the Board approve a request to HUD to amend the two CHAPs to add two units in AMP 2 (now 481 units) and one unit in AMP 5 (now 613 units).

Excess Utility Charges. In addition to increasing the number of RAD units, staff is recommending approval of CHAP amendments for the six projects with hi-rise buildings (AMPs 2, 3, 5, 6, 7 and 8) to increase the RAD contract rents based on excess utility charges. Currently the “total tenant payment” paid to the PHA by public housing hi-rise residents covers both rent and basic utilities (heat, water, electricity). Hi-rise residents who have their own home freezer or air conditioner pay a surcharge (currently \$6 per month) for “excess utility consumption”. However, the PBRA program does not allow landlords to charge residents for excess utilities. Instead, HUD allows the PHA to adjust the contract rents for all units in the project to make up for the lost revenue from the surcharges. As with increasing the number of units, the initial dollar value is small, but it will increase the baseline amount on which future inflation adjustments will be based.

These requests for CHAP amendments will be submitted to HUD with the CHAP revisions approved at the November 23, 2018 meeting, asking for 2018 RAD Rents and for the 2019 Operating Cost Adjustment Factor to be applied to the RAD contract rents.

Agency Plans. The Agency Plans for the current year and for next year that were approved at the last Board meeting (November 28, 2018) showed exactly how many dwelling units were in each project, and the number of bedrooms in each. Staff is now asking the Board to approve revising the two Agency Plans to reflect the adjustments in unit counts described above.

These minor revisions to the Agency Plans do not constitute significant amendments that would require a new public notice and public hearing. Staff submitted the amended Agency Plan for the current year shortly after November 28, 2018, so with the Board's approval the next revision will be resubmitted as Version 4 of that Plan. The adjusted number will be used in the original Agency Plan for FY 2020. Staff will provide additional copies of the Plans and all attachments at the request of any Commissioner.

FAH/

Attachments:

- Resolution No. 19-1/23-02 to revise the Agency Plan for the next Fiscal Year (PHA FY 2020) beginning April 1, 2019; and
- Resolution No. 19-1/23-03 to revise the Agency Plan for the current Fiscal Year (PHA FY 2019), now Version 4, to add the special purpose units.
- Agency Plan for the current Fiscal Year (PHA FY 2019) Version 4
- Revised Attachment K to Agency Plan: Applications for Conversion of Public Housing to Project-Based Assistance under RAD
- Certifications of Compliance (HUD-50077)