

**STAFF REPORT**  
**City of Lancaster**

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MVB

Date: September 9, 2014

To: Mayor Parris and City Council Members

From: Elizabeth Brubaker, Housing and Neighborhood Revitalization Director

Subject: **Award of Bid - Housing and Neighborhood Revitalization Neighborhood Stabilization Program Project No. 597-15**

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**Recommendation:**

Award Housing and Neighborhood Revitalization Neighborhood Stabilization Program Construction Project No. 597-15 to High Desert Contractors, Inc. of Lancaster, California, in the amount of \$548,498.00 (plus a 10% contingency) and authorize the City Manager, or his designee, to sign all documents.

**Fiscal Impact:**

The \$548,498.00 project funding will come from the Community Development Block Grant (CDBG) Fund's Fiscal Year 2013-2014 and 2014-2015 Neighborhood Stabilization Program Account No. 363-4542-771, where sufficient funds are available to complete this project.

This contract has been awarded to the lowest responsible bidder per California Public Contract Code Section 22038 (b).

**Background:**

On February 22, 2011, pursuant to the Dodd-Frank Act of 2010, the City of Lancaster received funds for the Neighborhood Stabilization Program 3 from the U.S. Department of Housing and Urban Development to acquire, rehabilitate and then resell foreclosed homes. Beginning in October of 2012, the City began to receive Program Income totaling \$1,096,136 from the sales of the NSP 3 homes. These funds must be used to acquire, rehabilitate and resell foreclosed homes in HUD approved targeted areas to benefit persons of low- and moderate-income.

From August 7, 2014 to August 27, 2014, the City solicited bids from licensed firms for construction of the Neighborhood Stabilization Program Project. On August 27, 2014, at 11:00 a.m., the City conducted a bid opening for the Housing and Neighborhood Revitalization Department's construction Project No. 597-15. The successful low bid was determined based on the Base Bid. Two (2) sealed bid envelopes were received, opened, and read aloud. The bids were as follows:

	<u>Total Bid Amount</u>
1. High Desert Contractors, Inc	\$ 548,498.00
2. Hiesl Construction	\$ 346,765.00

Hiesl Construction withdrew their bid in accordance with Public Contract Code 5103. The mistake was not due to carelessness or an error in judgment, but rather due to a clerical mistake that altered the bid and rendered it materially different than Hiesl Construction intended.