

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

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MVB

Date: February 24, 2015

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. 606-15**

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**Recommendation:**

Award **Housing and Neighborhood Revitalization Neighborhood Stabilization Program Construction Project No. 606-15** to High Desert Contractors, Inc. of Lancaster, California, in the amount of \$560,000.00 (plus a 10% contingency) and authorize the City Manager, or his designee, to sign all documents.

**Fiscal Impact:**

The \$560,000.00 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. 363-4542-770, 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:**

In September 2008, pursuant to the Housing and Economic Recovery Act of 2008, the City received funds for the Neighborhood Stabilization Program 1 from the U.S. Department of Housing and Urban Development to acquire, rehabilitate and then resell foreclosed homes. Beginning in 2010, the City began to receive Program Income from the sales of the NSP 1 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 December 4, 2014 to January 6, 2015, the City solicited bids from licensed firms for construction of the Neighborhood Stabilization Program Project. On January 6, 2015, at 11:00 a.m., the City conducted a bid opening for the Housing and Neighborhood Revitalization Department's construction Project No. 606-15. The successful low bid was determined based on the Base Bid. Five (5) sealed bid envelopes were received, opened, and read aloud. The bids were as follows:

	<u>Total Bid Amount</u>
1. Excel Select Builders	\$ 694,798.00
2. Levon Ipchyan Construction	\$ 793,943.52
3. Hiesl Construction	\$ 439,030.00
4. Stevens Construction	\$ 895,521.95
5. High Desert Contractors, Inc.	\$ 560,000.00

The Hiesl Construction bid of \$439,030.00 was the apparent low bid at the time of bid opening. However, the Hiesl Construction bid has been deemed non-responsive in accordance with California Public Contract Code Section 4104, which requires that all information submitted in the bid by the contractor regarding subcontractors must be complete and correct.

High Desert Contractors, Inc. bid of \$560,000.00 has been deemed the lowest responsible bidder per California Public Contract Code Section 22038 (b). High Desert Contractors Incorporated will perform rehabilitation work on six single family residences located within the City of Lancaster.

The rehabilitation work being performed by the contractor will consist of the following: eliminating safety concerns, including fire hazards, lead-based paint hazards, removing unpermitted construction and correcting code violations; installing more energy efficient systems, including water conservation devices, and making general property and green building improvements that will increase the long-term sustainability of the single family residence.