

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

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02/09/16
MVB

Date: February 9, 2016

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. 630-16**

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**Recommendation:**

Award Housing and Neighborhood Revitalization Neighborhood Stabilization Program Construction Project No. 630-16 to Hiesl Construction, Inc. of Acton, California, in the amount of \$338,750.00 (plus a 10% contingency). Authorize the City Manager, or his designee, to sign all documents.

**Fiscal Impact:**

The \$338,750.00 project funding will come from the Community Development Block Grant (CDBG) Fund's Fiscal Year 2013-2014 and 2014-2015 Neighborhood Stabilization Program 1 Account No. 363-4542-770 in the amount of \$127,650.00 & Neighborhood Stabilization Program 3 Account 363-4542-771 in the amount of \$211,100.00, 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.

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 December 13, 2015 to January 12, 2016, the City solicited bids from licensed firms for construction of the Neighborhood Stabilization Program Project. On January 12, 2016, at 11:00 a.m., the City conducted a bid opening for the Housing and Neighborhood Revitalization Department's construction Project No. 630-16. The successful low bid was determined based on the Base Bid. One (1) sealed bid envelope was received, opened, and read aloud. The bid was as follows:

	<u>Total Bid Amount</u>
1. Hiesl Construction, Inc.	\$ 338,750.00

The Hiesl Construction, Inc. bid of \$338,750.00 has been deemed the lowest responsible bidder per California Public Contract Code Section 22038 (b). Hiesl Construction Incorporated will perform rehabilitation work on three single family residences located within the City of Lancaster – 521 Woodington Drive, 1164 West Avenue J-11 and 43702 Foxton Avenue.

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