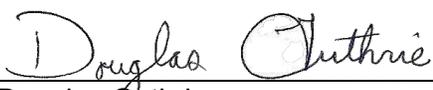
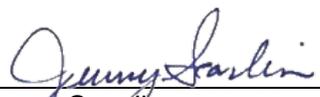


RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO ENTER INTO A FOURTH AMENDMENT TO CONTRACT HA-2019-146 (2020) WITH INTERIOR DEMOLITION, INC. TO INCREASE ITS MAXIMUM PAYMENT OBLIGATION BY UP TO \$950,000 FOR THE REMOVAL OF UP TO 6,000 CUBIC YARDS OF SOIL FROM THE JORDAN DOWNS PHASE S2 DEMOLITION SITE



Douglas Guthrie
President & Chief Executive Officer



Jenny Scanlin
Chief Development Officer

Purpose: Up to an additional \$950,000 in contract funding may be needed to cover the additional costs to excavate and remove up to 6,000 cubic yards of soil recently identified as non-hazardous waste during demolition services performed by Interior Demolition, Inc. (“IDI”) on the S2 Area of the Jordan Downs Development project.

Regarding: HACLA entered into contract number HA-2019-146 (2020) with Interior Demolition, Inc. (IDI) for demolition activities for Areas S2 and S3 of the Jordan Downs Development project with a maximum payment obligation of \$1,200,000. The parties later entered into Amendment No. 1, which increased the contract’s maximum payment obligation to \$1,350,000, Amendment No. 2 to correct an error in Amendment No. 1 and memorialize a change order, and Amendment No. 3 which extended the contract term to June 30, 2021. The additional funds are needed in order for IDI to complete its demolition work and leave the site “Clean and Buildable” per the definition provided in the Master Development Agreement.

Issues: IDI has been involved in demolition activities at the Area S2/S3 sites for the last year to ensure timely construction initiation for these two Jordan Downs redevelopment projects. Active demolition activities on site unearthed conditions below the surface of certain buildings and parking areas in the S2 Area footprint that pointed to significant burial of non-hazardous waste. The scope of the waste soil, which includes concrete and asphalt debris, appears to be from previous construction activities on the site, possibly during site renovations in the early 1950’s. The debris is buried to depths of up to 15 feet and covers an area of approximately 30 feet wide by 200 feet long, totaling up to 6,000 cubic yards.

In accordance with the Master Development Agreement, HACLA is responsible for ensuring that all former improvements on the property are removed, including all utilities and the site is rough graded and considered in “clean and buildable condition.” This waste represents uncertified fill and rubble that cannot be used as a base for pads or foundations. Therefore, staff has determined that HACLA is responsible for covering the cost of the removal of this waste.

Given the immediacy of this issue, staff are requesting the Board provide authority to the President & CEO, or his designee, to negotiate and finalize this fourth amendment to the IDI Contract based on existing terms established for additional scope, including no more than a 15% mark-up cost allowed. According to the most recent estimates of cost received, staff anticipate the majority of new funding allocated will be spent on the direct

cost of hauling and dumping the waste at an appropriate landfill site. To date, it's estimated that the waste equates to approximately 500-800 truckloads or approximately \$650,000 in direct cost IDI will incur and pass through to HACLA for reimbursement. The balance of the cost will primarily be comprised of IDI's labor costs, which remain reasonable and subject to prevailing wage requirements.

Vision Plan: PLACE Strategy #1: Stabilize the physical and financial viability of the conventional public housing portfolio.

Continuity of the work realized to support HACLA's objectives.

Funding: The Chief Administrative Officer confirms the following:

Source of Funds: Non-federal funds generated from Rent Subsidy proceeds.

Budget and Program Impact: The necessary funds are available and will be added to the 2021 Operating Budget. Up to \$600,000 of the costs will be reimbursed to HACLA at construction closing from a State IIG grant attributed to the Area S2 Project.

Environmental Review: Not Applicable

Section 3: IDI committed to hiring a Section 3 Resident to assist with general labor duties. Immediately following execution of the original contract, IDI worked with HACLA's Section 3 staff and hired a Section 3 resident from the community. The intern is still working with IDI.

Attachments:

1. Resolution

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO ENTER INTO A FOURTH AMENDMENT TO CONTRACT HA-2019-146 (2020) WITH INTERIOR DEMOLITION, INC. TO INCREASE ITS MAXIMUM PAYMENT OBLIGATION BY UP TO \$950,000 FOR THE REMOVAL OF UP TO 6,000 CUBIC YARDS OF SOIL FROM THE JORDAN DOWNS PHASE S2 DEMOLITION SITE

WHEREAS, the Housing Authority of the City of Los Angeles (“HACLA”) entered into HA-2019-146 (2020) (the “Contract”) with Interior Demolition, Inc. for demolition activities on for Areas S2 and S3 of the Jordan Downs Development project with a maximum payment obligation of \$1,200,000;

WHEREAS, due to unforeseen circumstances beyond the control of IDI, HACLA and IDI entered into three earlier amendments to the Contract increasing the maximum payment obligation to \$1,350,000 and extending the Contract term through June 1, 2021; and

WHEREAS, for the reasons set forth in the Report of the President and CEO of the same date herewith, HACLA now desires to execute Amendment No. 4 to the Contract and increase the Contract’s maximum cumulative payment obligation by up to \$950,000 for a total contract amount not to exceed \$2,300,000, to ensure the timely completion of demolition of Area S2 and to authorize the President and CEO, or designee, to negotiate the final price, terms and conditions of Amendment No. 4.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners hereby authorizes the President & CEO, or designee, to execute Amendment No. 4 to the Contract with IDI to increase the maximum payment obligation up to \$950,000, for a total contract amount not to exceed \$2,300,000, following the President & CEO, or designees, negotiation of the final price, terms and conditions with legal counsel approval, and further authorizes the President and CEO, or designee, to amend the Contract further if necessary up the Contracting Officer’s procurement authority, should further amendment be required to ensure the timely completion of S2 demolition.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

By: _____
Chairperson

APPROVED AS TO FORM:
James Johnson

BY: _____
General Counsel

DATE ADOPTED: _____