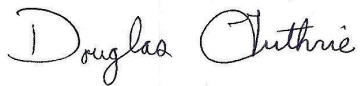


REPORT OF THE PRESIDENT AND CEO

February 25, 2021

**RESOLUTION AUTHORIZING THE PRESIDENT & CEO, OR DESIGNEE, TO EXECUTE A
CONTRACT WITH AMERICAN CITY PEST & TERMITE, INC. FOR AN INITIAL ONE-YEAR
TERM WITH FOUR (4) ONE-YEAR OPTIONS TO EXTEND, FOR AS-NEEDED PEST
CONTROL SERVICES, PURSUANT TO AWARD UNDER IFB HA-2020-139
FOR A TOTAL AMOUNT NOT-TO-EXCEED \$1,200,000**



Douglas Guthrie
President and CEO



Marisela Ocampo
Housing Services Director

Purpose: The Housing Authority of the City of Los Angeles (“Housing Authority”) is engaged in the on-going practice of maintenance of its public housing portfolio. Activities that will increase the functionality, maintenance and improvement of its housing stock are crucial in preserving our low-income housing. The proposed contract will allow the Housing Authority to receive as-needed pest control services for on-going maintenance of the Housing Authority’s 14 public housing sites (“Sites”).

Regarding: The proposed contract will provide as-needed pest control services at competitive pricing to support the maintenance of units at the Sites. Particularly, pest control services are required in units, management offices, and common areas. The contractor is also required to treat rodents, gophers, bed bugs, and other pests on an as-needed basis.

The Housing Authority primarily uses boric acid, gel bait or liquid treatment for pest control of roaches. Boric acid is an effective pest control product and one of the least hazardous product when used properly. Gel bait provides a longer and greater residual effect than liquid treatment, which produces instantaneous results. Using these products, continuing to inform residents to keep their units clean and preventing pest entry into units are part of the Housing Authority’s effort to move away from relying singularly on liquid spray and to implement Integrated Pest Management (“IPM”). IPM is a pest control strategy encouraged by the U.S. Department of Housing and Urban Development. The goal of IPM is to manage pests by the most economical means, and with the least possible hazard to people, property and the environment.

Pest control cost are estimated to be approximately \$240,000 annually over each of the next five years based on anticipated needs (as detailed on the following page), resulting in the request for a total contracting amount not-to-exceed \$1,200,000.

Pest Control	Approx. Yearly Cost
Treatment for Roaches	\$92,000
Additional Treatment for Roach-Infested Units ~ 35%	\$33,000
Additional Services: Rodents, Gophers, Bed Bugs, etc.	\$115,000
Annual Total:	\$240,000
Total Amount Not-to-Exceed (\$240,000 x 5 yrs)	\$1,200,000

Procurement:

On December 2, 2020, the Housing Authority issued Invitation for Bid (“IFB”) No. HA-2020-139, to solicit as-needed pest control services. The Scope of Work requires all work to be performed according to the State of California Department of Pesticide Regulation-Structural Pest Control Act, the material manufacturers’ recommendations, industry standards, and to the satisfaction of the Housing Authority.

The IFB was advertised on the City of Los Angeles’ Business Assistance Virtual Network (“LA-BAVN”) website and twenty-nine (29) vendors viewed the IFB. In addition, a notice of the IFB was emailed to fourteen (14) additional vendors from a list provided by the Housing Services Department. A detailed summary and background information of the procurement is provided in Attachment 2 (Summary of Outreach Activities).

The bid form allowed bidders to provide a unit price to treat household pests at each housing unit, management offices and community centers, which are all services annually required at each Site. Bed bugs, rodent treatments for rats, gophers, wasps and termites are additional services to be available on an as-needed basis. Depending on the Site, the need for these additional services varies.

The following two (2) bids were received by the submittal deadline of January 5, 2021:

Company Name	Total Bid Price
American City Pest & Termite, Inc.	\$464,905.80
Intergrated Pest Control Management, Inc.	\$1,178,843.00

The significant difference between the two bids is attributable to American City Pest & Termite Inc.’s \$14.00 per unit price versus Intergrated Pest Control Management, Inc.’s \$35.90 per unit price to treat each housing unit. Based on inquiries of two other Housing Authorities within large metropolitan areas in California, their cost for pest control range between \$13.33 to \$19.33 per unit. Currently, the Housing Authority’s pays \$14.17 per unit. American City Pest & Termite Inc. is the Housing Authority’s incumbent vendor. This price data suggests that American City Pest & Termite Inc.’s bid is reasonable and within industry standards. The bid is also within 6% of the Housing Authority’s Independent Cost Estimate (“ICE”). Moreover, Intergrated Pest Control Management, Inc. did not meet the minimum work experience requirement of 5-years as provided under the IFB, thereby suggesting that their bid may have been overstated due to a lack of experience and/or familiarity with such work.

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

The public housing portfolio has been undergoing modernization and redevelopment efforts in order to sustain and add to the existing housing stock. Most of the Sites were built in the 1940's and 1950's and require numerous capital repairs and improvements. The Housing Authority's maintenance staff requires pest control service for site maintenance and improvement projects on an as-needed basis.

PLACE Strategy #9: Manage capital resources and reserves to sustain useful life of existing and new units in the Housing Authority's portfolio

The Housing Authority has to maintain an aging public housing portfolio with limited funding. While the amount of physical needs has grown significantly over the years, the amounts received for improvement and maintenance efforts, other than within the last year, has steadily declined. Managing the limited funds with the goal of keeping the public housing stock at their highest level of usefulness and efficiency is imperative.

Funding: The Chief Administrative Officer confirms the following:

Source of Funds: Public Housing Operating Funds is the primary funding source for public housing maintenance projects.

Budget and Program Impact: The Housing Authority anticipates annual expenditures of approximately \$240,000 for pest control services based on estimated as-needed maintenance needs at the public housing sites. These expenditures are included in the Housing Authority's 2021 Operating Budget and will be budgeted in subsequent years as required.

Environmental Review:

Approval of this service contract with American City Pest & Termite, Inc. is exempt from CEQA and NEPA.

Section 3: American City Pest and Termite, Inc. has submitted an Economic Opportunity Plan ("EOP") in conformity with the requirements of the Housing Authority's Section 3 Guide and Compliance Plan. Under its EOP, American City Pest & Termite, Inc. committed to hire a Section 3 Resident technician, inspector and customer service representative.

American City Pest & Termite, Inc. has satisfactorily fulfilled its Section 3 commitment under the previous contract by providing eight scholarships to Section 3 Residents.

Attachments:

1. Resolution
2. Summary of Outreach

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE PRESIDENT & CEO, OR DESIGNEE, TO EXECUTE A CONTRACT WITH AMERICAN CITY PEST & TERMITE, INC. FOR AN INITIAL ONE-YEAR TERM WITH FOUR (4) ONE-YEAR OPTIONS TO EXTEND, FOR AS-NEEDED PEST CONTROL SERVICES, PURSUANT TO AWARD UNDER IFB HA-2020-139 FOR A TOTAL AMOUNT NOT-TO-EXCEED \$1,200,000

WHEREAS, the Housing Authority of the City of Los Angeles (“Housing Authority”) requires pest control service on an as-needed basis for the maintenance of its public housing sites;

WHEREAS, the Housing Authority has determined the most effective and feasible manner of obtaining qualified pest control services is by contracting for such services;

WHEREAS, on December 2, 2020, the Housing Authority issued Invitation for Bid Number (“IFB”) No. HA-2020-139, seeking firm fixed-price bids for as-needed pest control services;

WHEREAS, following review of the bids received in response to the IFB, as detailed in the Report of the President and CEO of the same date herewith, it was determined that American City Pest & Termite, Inc., submitted the lowest, responsive and responsible bid;

WHEREAS, the Housing Authority desires to award and enter into a one year contract with four one-year options to renew, with American City Pest & Termite, Inc.; and

WHEREAS, the Chief Administrative Officer confirms the necessary funds are available and included in the Housing Authority’s 2021 Annual Budget with additional funds for the contract to be budgeted annually and adopted as part of subsequent years’ Annual Budgets.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners authorizes the President and CEO, or designee, to execute a contract with American City Pest & Termite, Inc., for an initial one-year contract term with four (4) one-year options to extend for a total contract amount not-to-exceed \$1,200,000, to provide pest control services on an as-needed basis.

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

APPROVED AS TO FORM:
JAMES JOHNSON

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

BY: _____
GENERAL COUNSEL

BY: _____
CHAIRPERSON

DATE ADOPTED: _____

Summary of Outreach

IFB No. HA-2020-139 AS-NEEDED PEST CONTROL SERVICES

A. Funding Source

Federal Non-Federal Mixed Funding

B. Advertisement; Minority/Women Outreach

General Services advertised the Invitation For Bid (“IFB”) on the City of Los Angeles’ Business Assistance Virtual Network (“LA-BAVN”) website starting on December 2, 2020, until the submission deadline of January 5, 2021, for a total of 35 days. A total of 29 vendors viewed the IFB on the LA-BAVN website. Additionally, the IFB notice was emailed to 14 vendors from a list provided by the Housing Services Department and the General Services Department vendor database.

In support of the Housing Authority’s policy to contract with Minority Business Enterprises (“MBEs”), Women’s Business Enterprises (“WBEs”) and Labor Surplus Area (“LSA”) businesses to the extent possible, on December 3, 2020, notice of this IFB was also provided to the List of Recognized Minority and Women-owned Business Organizations maintained by the Housing Authority and to the local office of the U.S. Small Business Administration (“SBA”).

C. Pre-Bid Conference

Due to COVID-19 restrictions, a pre-bid conference was not held. However, interested bidders were provided with the opportunity visit sites as detailed below.

D. Pre-Bid Site Visits

Prospective bidders were given the option to schedule, at their discretion, site visits directly with site Managers. No prospective bidders took advantage of the opportunity.

E. Addenda

Addenda No. 1, was posted on LA-BAVN on December 15, 2020.

F. Receipt of Bids

The following two (2) bids were received by the submittal deadline of January 5, 2021:

Company Name	Total Bid Price
American City Pest & Termite, Inc.	\$464,905.80
Intergrated Pest Control Management, Inc.	\$1,178,843.00

As detailed in the accompanying Report of the President and CEO, the bid submitted by American City Pest & Termite, Inc. was determined price reasonable.

G. Review of Bids for Responsiveness and Contractor Responsibility

The Contract Administrator determined that the bid submitted by American City Pest & Termite, Inc. was responsive and responsible to the IFB and that the bid submitted by Intergrated Pest Control Management, Inc. was not, as Intergrated did not satisfy the minimum of 5 years of prior work experience required under the IFB.

H. Recommendation for Award

The Housing Services Department recommends American City Pest & Termite, Inc. for contract award.

I. Workforce Profile

American City Pest & Termite, Inc., submitted a Workforce Profile that revealed the following workforce composition:

<u>Company</u>	<u>Employees</u>
American City Pest & Termite, Inc.	Total: 41 33 minorities = 80% 11 women = 27%

**HOUSING AUTHORITY OF THE CITY OF LOS ANGELES
MBE/WBE ORGANIZATIONS MAILING LIST**

1	Asian American Architects and Engineers Association
2	Asian Business Association of Los Angeles
3	Asian Business League of Southern California
4	Asian Pacific Islander Small Business Program
5	Korean American Chamber of Commerce
6	Pacific Asian Consortium in Employment (PACE) Business Center
7	Black Business Association
8	Greater L.A. African American Chamber of Commerce (GLAAACC)
9	Regional Black Chamber of Commerce of San Fernando Valley
10	US Black Chambers
11	Southern California Black Chamber of Commerce
12	National Black Contractors Association
13	Young Black Contractors Association
14	California Hispanic Chamber of Commerce
15	LA Metropolitan Hispanic Chamber of Commerce
16	Latin Business Association (LBA)
17	Los Angeles Latino Chamber of Commerce
18	National Latina Business Women Association (NLBWA-LA)
19	Regional Hispanic Chamber of Commerce
20	American Indian Chamber of Commerce
21	Build Plus Community Marketplace
22	Greater San Fernando Valley Chamber of Commerce
23	Los Angeles Area Chamber of Commerce
24	Los Angeles Minority Business Enterprise Center USC (MBDA)
25	National Association of Minority Contractors
26	National Association of Women Business Owners Los Angeles
27	Pacific Coast Regional Small Business Development Corp (SBDC)
28	Small Business Majority
29	Southern California Minority Supplier Development Council
30	The New Ninth Business Resource Center
31	US Small Business Administration
32	US Veteran Business Alliance
33	Valley Economic Development Center/Women's Business Center
34	Vermont Slauson Economic Development Corporation
35	Vernon Networking Committee
36	City of LA Bonding Program: Merriwether & Williams Insurance Services, Inc