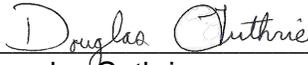


RESOLUTION AUTHORIZING THE PRESIDENT & CEO, OR DESIGNEE, TO EXECUTE A CONTRACT AMENDMENT WITH THE DUNN-EDWARDS CORPORATION TO INCREASE CONTRACT HA-2018-14 TO A TOTAL AMOUNT NOT-TO-EXCEED \$1,562,000



Douglas Guthrie
President and CEO



Marisela Ocampo
Housing Services Director

Purpose: The Housing Authority of the City of Los Angeles (“HACLA”) 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 amendment will allow HACLA to purchase as-needed paint and painting supplies for on-going maintenance of HACLA’s 14 public housing sites (“Sites”).

Background: On May 24, 2018, by Resolution 9441, the Board of Commissioners (“BOC”) approved execution of a five (5) year contract with Dunn-Edwards Corporation (“Dunn-Edwards”) in an amount not-to-exceed \$700,000, for as-needed paint and painting supplies. On December 19, 2019, Amendment 1 was executed under Contracting Officer’s authority to increase the contracting amount by \$132,000, for a total amount not-to-exceed \$832,000. The amendment was executed to purchase paint and painting supplies for the Pueblo del Rio Neighborhood Enhancement Pilot Project. The proposed contract amendment will allow the continuing purchase of as-needed paint and painting supplies to meet heightened demand as detailed below.

HACLA’s ongoing maintenance includes the re-painting of unit interiors and touch up of building exteriors and the community or common areas at the Sites. Due to increases in the number of construction projects, such as the Pueblo del Rio Neighborhood Enhancement Pilot Project, William Mead Social Hall and the Computer Lab renovation, the need for additional paint and painting supplies has increased over the past year. In addition, when the Mar Vista Gardens Neighborhood Enhancement Project begins and the COVID-19 pandemic ends, additional paint and painting supplies will be needed.

Over the three-year period from 2018 to 2020, the annual average spending on paint and painting supplies was \$260,635 per year. The anticipated increased need for paint and painting supplies is projected to be approximately \$365,000 per year for the remaining two years of the contract term, and has resulted in a request for a cumulative contracting amount not-to-exceed \$1,562,000.

Procurement: On May 24, 2018, the BOC approved Contract HA-2018-14 with Dunn-Edwards, for as-needed paint and painting supplies, for five (5) years in an amount not-to-exceed \$700,000. The contract was awarded based on a cooperative purchasing

contract through OMNIA Partners (“OMNIA”), formerly the U.S. Communities Government Purchasing Alliance. OMNIA, after a competitive process and the receipt of five (5) bids, awarded Dunn-Edwards a contract.

On November 17, 2017, OMNIA, in partnership with Maricopa County (“County”) in Arizona, advertised Request for Proposal (“RFP”) (No.170009), for paint and painting supplies, on behalf of the County and other government agencies, which resulted in a cooperative purchasing contract between OMNIA and Dunn-Edwards. The County’s cooperative purchasing contract with Dunn-Edwards (“Agreement”) reflects the purchasing power of OMNIA Partners, as evidenced by aggressive pricing with volume discounts, resulting in an average savings for paint of approximately forty-eight percent (48%) off retail prices. Additional discounting of varying percentages applies to painting supplies such as brushes and drop cloths.

HACLA has determined that continuing to piggyback off of the Agreement will satisfy HUD’s criteria for cooperative purchasing because: (i) use of said Agreement will provide for greater economy and efficiency and result in cost savings to HACLA; (ii) the nature of the goods is routine; (iii) the scope of the goods to be provided to HACLA is sufficiently equivalent to the scope of the goods to be provided under said Agreement; (iv) the Agreement was procured in compliance with 2 CFR Part 200; and (v) the cost and availability of the goods was evaluated as part of the Agreement and will be re-evaluated by staff on an annual basis. Moreover, Dunn-Edwards prices will remain the same under the contract and continue to be very competitive and reasonable.

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. HACLA’s maintenance staff requires paint and painting supplies 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 HACLA’s portfolio

HACLA has to maintain an aging public housing portfolio with limited funding. 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 and Capital Funds are the primary funding sources for public housing maintenance and construction projects.

Budget and Program Impact: HACLA anticipates annual expenditures of approximately \$365,000 for the remaining two years of the contract term for paint and painting supplies based on estimated as-needed maintenance needs at the

public housing sites. These expenditures are included in HACLA's 2021 Operating and Capital Fund Budgets and will be budgeted in subsequent years as required.

Environmental Review:

Approval of this contract with Dunn-Edwards is exempt from CEQA and NEPA.

Section 3: The Dunn-Edwards Contract was procured through a piggyback contract, the terms of which had been negotiated in advance between Dunn-Edwards and the County. Moreover, Section 3 covers contracts for services and does not apply to contracts for purchase of supplies and materials. Notwithstanding, HACLA extended Section 3 applicability to the procurement in accordance with HACLA's Section 3 Guide and Compliance Plan. Dunn-Edwards committed to provide employment opportunities to Section 3 residents where reasonably possible. As such, they provided a list of stores within the Los Angeles area and share job openings with HACLA's WorkSource Center, who in turn notifies residents on the Section 3 Resident Registry of the employment opportunities on Dunn-Edwards' website. Unfortunately, no residents have applied for those employment opportunities to date but efforts continue to promote them.

Attachments:

1. Resolution

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE PRESIDENT & CEO, OR DESIGNEE, TO EXECUTE A CONTRACT AMENDMENT WITH THE DUNN-EDWARDS CORPORATION TO INCREASE CONTRACT HA-2018-14 TO A TOTAL AMOUNT NOT-TO-EXCEED \$1,562,000

WHEREAS, the Housing Authority of the City of Los Angeles (“Housing Authority”) requires paint and painting supplies on an as-needed basis for the maintenance and improvement of its public housing sites;

WHEREAS, the U.S. Department of Housing and Urban Development (“HUD”) permits housing authorities to purchase goods and services under competitively awarded contracts entered into by other public agencies through a procedure called “cooperative purchasing;”

WHEREAS, on May 24, 2018, the Board of Commissioners approved a cooperative purchasing agreement with the Dunn-Edwards Corporation, for as-needed paint and painting supplies, by utilizing Contract No. 170009, between the County of Maricopa, Arizona and the Dunn-Edwards Corporation;

WHEREAS, on December 19, 2019, under the Contracting Officer’s authority, Amendment 1 was executed to increase the contract by \$132,000, for a total amount not-to-exceed \$832,000, for the purchase of paint and painting supplies for the Pueblo del Rio Neighborhood Enhancement Pilot Project;

WHEREAS, the Housing Authority now desires to increase the contract by an additional \$730,000 to meet paint and painting supply needs for the remainder of the contract term; 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 amendment with the Dunn-Edwards Corporation for a total contract amount not-to-exceed \$1,562,000, to provide paint and painting supplies, 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: _____