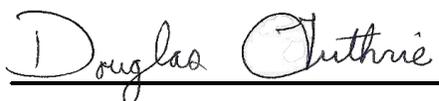


## REPORT OF THE PRESIDENT AND CEO

October 28, 2021

**RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO EXECUTE A CONTRACT WITH INTERIOR DEMOLITION, INC. AS THE LOWEST, RESPONSIVE AND RESPONSIBLE BIDDER IN CONNECTION WITH THE DEMOLITION OF THIRTEEN (13) RESIDENTIAL STRUCTURES LOCATED IN PHASE P1, S7, AND AREA H2A AND ONE (1) SURFACE PARKING LOT AT THE JORDAN DOWNS PUBLIC HOUSING COMMUNITY PURSUANT TO AWARD UNDER IFB HA-2021-153 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$2,152,666**



Douglas Guthrie  
President and CEO



Geoffrey Moen  
Director of Development Services

**Purpose:** To initiate demolition activities at Jordan Downs Public Housing to remove thirteen (13) residential structures containing a total of eighty two (82) units, and one (1) surface parking lot, in order to facilitate the continued redevelopment of the site and efficiently manage the remaining public housing units and the safety of residents during the redevelopment process.

**Regarding:** On June 28, 2012, by Resolution No. 8969, HACLA's Board of Commissioners ("BOC") unanimously authorized the President and CEO to execute a Master Development Agreement ("MDA") with Jordan Downs Community Partners, LLC, ("Master Developer"), a joint venture of the BRIDGE Housing Corporation ("BRIDGE") and The Michaels Development Company I, L.P., a New Jersey limited partnership ("Michaels"), for the redevelopment of Jordan Downs. The MDA between HACLA and the Master Developer was executed on August 1, 2012 and subsequently amended with Board approval on December 22, 2016, by Resolution No. 9327 and on April 28, 2016, by Resolution No. 9282.

**Issues:**

*Background*

HACLA desires to continue to transform the Jordan Downs public housing community into an environmentally friendly, vibrant, urban village, conducive to healthy living and economically progressive conditions. Since 2012, HACLA and the Master Developer have been working closely to implement the vision of a redeveloped Jordan Downs guided by the Master Development Agreement. In accordance with the Master Development Agreement, HACLA is responsible for all demolition and relocation activities and related costs and for delivering a clean and buildable site to each phase's selected development entity. To date, HACLA has demolished 18 buildings and 105 units on the original Jordan Downs Public Housing

campus as it has constructed and opened up replacement housing to the former residents of those units through our Build First model. If approved, this contract will bring the total demolition of the site to 187 units and 31 buildings, representing 27% of the original 700 public housing units at Jordan Downs.

### *Demolition Area*

There are thirty (30) units within four (4) buildings within the footprint of Area H2A, eighteen (18) units within 4 buildings in the footprint of Area S7, and thirty-four (34) units within nine (9) buildings with the footprint of Area P1 that will need to be demolished. The residents of Area H2A were given an option to relocate to the new Area H building at Jordan Downs, relocate to offsite housing using Section 8 vouchers or, subject to availability, relocate to another public housing unit. Most tenants from Areas P1 and S7 were previously relocated to the Phase 1A and 1B developments completed in 2020. Individual household relocation has begun and all residents are expected to be successfully relocated in accordance with their choice preference within the next three months. HACLA has received HUD's approval of the phased demolition/disposition through the Section 18 Demolition/Disposition award for the Jordan Downs public housing community.

### *Procurement*

On September 9, 2021, HACLA issued Invitation for Bid HA-2021-153 ("IFB") for the abatement and demolition of thirteen (13) two-story residential townhome buildings, one paved surface parking lot and related improvements and vegetation at redevelopment Areas H2A, P1 and S7 at HACLA's Jordan Downs public housing community. The IFB's scope of services also includes the removal of soil and inert debris and replacing them with clean soil in yet to-be-determined quantities. The IFB specified the licensing and certifications required to qualify for the contract award, and required bidders demonstrate at least five (5) years' experience performing on a minimum of five (5) projects of similar character and scope. The IFB was posted on the City of Los Angeles' Business Assistance Virtual Network ("BAVN") on September 9, 2021, with the bid opening date of September 28, 2021. One Addendum was issued on September 22, 2021, in response to questions received by the submission deadline of September 17, 2021. On September 28, 2021, a total of four (4) bids were received. The bids were subsequently evaluated by the Contract Administrator with assistance from the Development Services Department and Section 3 Compliance Administrator, who then determined that the bid submitted by Interior Demolition Inc., was the lowest responsive and responsible bid based on the IFB evaluation criteria.

All bidders were required to provide firm-fixed price base bids for the abatement and demolition work. The following table identifies the base bids from lowest to highest priced.

1	Interior Demolition, Inc. (Apparent Lowest Bid)	\$593,888
2	Integrated Demolition, & Remediation Inc.	\$748,000
3	AMPCO, Contracting, Inc.	\$764,984
4	Resource Environmental, Inc.	\$804,000

Interior Demolition Inc.'s \$593,888, base bid total is comprised of: \$45,000 for abatement work (Bid Item 1), and \$548,888 for demolition work (Bid Item 2) and was the lowest among bidders in these categories.

Bidders were also required to submit per unit ton bid prices for the removal of soil and inert debris, and replacement of the same with clean soil. A quantity of 1,000 tons each was used for purposes of determining the lowest over-all bid as the actual quantities are unknowable until the abatement and demolition work is completed. Interior Demolition Inc.'s overall bid was determined the lowest among all bidders based upon the combined total of these quantities and its firm-fixed price base bid for abatement and demolition services. Additional details regarding the procurement including this analysis are included in the attached Summary of Procurement and Outreach.

The contract award includes an allowance of \$1,125,000 for the excavation, removal, hauling, disposal of excess soil and inert debris, and import of clean soil, \$75,000 for permits and fees, and a contingency of \$358,778 (approximately 20% of contract value), as detailed in the Table below.

Bid Item	Description of Work	Bid Price
1	Abatement Work	\$45,000 (firm, fixed)
2	Demolition Work	\$548,888 (firm, fixed)
Allowance	Excavation, removal, hauling and disposal of excess soil	\$975,000 (not-to-exceed)
Allowance	Import of clean soil	\$150,000 (not-to-exceed)
Allowance	Permits and Fees (at cost)	\$75,000 (not-to-exceed)
Contingency	As needed – requires approved change order 20%	\$358,778 (not-to-exceed)
<b>TOTAL CONTRACT VALUE</b>		<b>\$2,152,666</b>

### *Resident Safety*

Although the buildings in the demolition area will be vacant, they are located adjacent to occupied public housing units. Therefore, HACLA and its recommended contractor shall take special measures to ensure the safety and health of all residents in and around the demolition site. Several measures will be taken to minimize the environmental impact of the abatement and demolition project. The contractor will file a notification with the South Coast Air Quality Management District (SCAQMD) prior to the commencement of the project. SCAQMD will conduct random site inspections to ensure all rules and regulations are being followed. A third-party Environmental Consultant hired by the Housing Authority will provide project oversight services including air monitoring and clearance sampling during and after abatement and remediation activities. Once these activities have been completed and cleared by the Environmental Consultant demolition can begin. During the demolition phase, the contractor will use dust suppression measures to minimize release of fugitive dust. The Authority's staff, including its Environmental Coordinator and Construction Manager, will make periodic visits and conduct spot checks during this process and will have the authority to stop the project if these protective measures are not followed.

According to the Department of Toxic Substances Control, unless an Environmental Site Assessment (Phase I) report or an Environmental Impact Report (EIR) call for a Phase II or further testing, no soil samples will be collected and tested prior to the demolition phase. A Phase I report dated August 18, 2021 prepared by Rincon Consultants concluded, however, that additional investigation was required. Rincon Consultants took soil samples around the structures and found limited areas of impacted soil and recommended removal. After further testing, impacted soil removed from the site will be transported to an approved facility certified by the State for proper handling and disposal. Concrete foundations removed from the site will be transported to a crushing facility, which may test the material on an as-needed basis. Soil testing will take place after demolition as well to confirm soil conditions meet regulatory standards and the property can be conveyed under the Master Development's definition of "clean and buildable site."

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

The demolition of these units will allow for the development of Phase H2A, seventy-six (76) units, which includes thirty-nine (39) replacement housing units, as well as the development of the central park and Phase S7, anticipated to provide 65 units, which includes 30 replacement housing units. This development will further HACLA's goals of improving its affordable housing stock as well as improved ADA-compliant, modern, sustainably designed, and amenitized units. This action will help HACLA extend the life of critical, deeply affordable housing in

the City of Los Angeles to serve existing public housing residents and future income-qualified households from HACLA's active public housing and Section 8 wait lists as well as from the community of Watts.

**Funding: The Chief Administrative Officer confirms the following:**

*Source of Funds:*

HACLA unrestricted non-federal funds are available for this action.

*Budget and Program Impact:*

The costs for demolition will be funded with non-federal funds. The demolition of the vacant units in Areas P1 and S7 will remove the associated nuisance and blight issues caused by the existing buildings, as well as the costs of boarding up these units, as these phases do not contemplate development for another two to three years. A 20% contingency is included based on finding significant areas of previously unknown buried debris in each of the prior demolition phases requiring Board approval for additional mitigation funds.

**Environmental Review:**

*CEQA:* The City of Los Angeles is the lead agency for the Jordan Downs Redevelopment for purposes of the California Environmental Quality Act ("CEQA"). The City of Los Angeles, acting through its City Planning Department, approved a larger project under the Jordan Downs Urban Village Specific Plan (1,800 residential units; up to 250,000 square feet of commercial/retail/office plus up to 20,000 square feet of community-service retail and services in mixed use buildings; a network of parks totaling 8.9 acres; and new community facilities), and its associated Environmental Impact Report ("EIR") and required findings on April 17, 2013 (ENV-2010-32-EIR). Two addendums to the EIR were prepared on January 11, 2016 and April 4, 2016 respectively to address additional impacts not considered in the EIR as the result of a proposed Specific Plan Amendment. On April 14, 2016, the City Planning Commission found based on the whole of the administrative record that no subsequent or supplemental EIR or negative declaration was required. The Phases H2A and S7 redevelopment as contemplated in their current conceptual plans provided to HACLA is consistent with the Specific Plan and its Amendment (CPC-2015-3990-GPA-ZC-SP). However, the final plans will be reviewed by the BOC at such time as it considers the Ground Lease and Disposition and Development Agreement and a final design and construction drawings are complete to ensure consistency. The demolition activities are subject to the imposition of various measures contained in the Specific Plan's conditions of approval for environmental mitigation.

*NEPA:* Pursuant to 24 CFR Part 58, the City of Los Angeles, through its Housing Department ("LAHD"), serves as the entity responsible for preparation of the Environmental Assessment and Finding of No Significant Impact (EA/FONSI) for

the Jordan Downs Public Housing Community Project. The EA/FONSI was circulated for public review on June 13, 2014, through July 2, 2014. On December 22, 2015 a technical memorandum was prepared to review any changes to the project description. Based on this memorandum HCID/LA found that changes to the project description did not result in changes to the conclusion of the EA/FONSI. On February 11, 2016, HUD's Field Office Director issued approval of HACLA's Request for Release of Funds and Environmental Certification.

**SECTION 3:** Interior Demolition, Inc., has submitted an Economic Opportunity Plan (EOP) in conformity with the requirements of HACLA's Section 3 Policy and Compliance Plan. Under its EOP, Interior Demolition, Inc., committed to hiring four (4) Section 3 Residents to fill new employment positions resulting from the contract award. Additional employment opportunities may become available via subcontractors and will be identified prior to commencing work.

**Attachments:**

1. Resolution
2. Jordan Downs Site Plan
3. Summary of Procurement and Outreach

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR DESIGNEE, TO EXECUTE A CONTRACT WITH INTERIOR DEMOLITION, INC. AS THE LOWEST, RESPONSIVE AND RESPONSIBLE BIDDER IN CONNECTION WITH THE DEMOLITION OF THIRTEEN (13) RESIDENTIAL STRUCTURES LOCATED IN PHASE P1, S7, AND AREA H2A AND ONE (1) SURFACE PARKING LOT AT THE JORDAN DOWNS PUBLIC HOUSING COMMUNITY PURSUANT TO AWARD UNDER IFB HA-2021-153 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$2,152,666**

**WHEREAS**, the Housing Authority of the City of Los Angeles (“HACLA”) intends to transform the Jordan Downs public housing community into a mixed-income, mixed-use, environmentally friendly, vibrant urban village, conducive to healthy living and economically progressive conditions;

**WHEREAS**, HACLA is preparing to begin the third phase of the redevelopment and desires to demolish thirteen (13) residential structures which house eighty-two (82) households and one (1) surface parking lot at redevelopment Areas P1, S7, and H2(a) at HACLA’s Jordan Downs public housing community (collectively, the “Improvements”);

**WHEREAS**, the households living within these eighty-two (82) units will be given an option to relocate to new units in Phase 2 (Area H), of the Jordan Downs redevelopment project, to another HACLA public housing site or to off-site housing using Section 8 vouchers in preparation for the redevelopment of the third phase of the Jordan Downs community;

**WHEREAS**, on September 9, 2021, HACLA issued Invitation for Bid HA-2021-2021-153 (the “IFB”), for the abatement and demolition of the Improvements, and removal of soil and inert debris and replacement of the same with clean soil;

**WHEREAS**, on September 28, 2021, a total of four (4) bids were received and subsequently evaluated by staff, who determined that the bid submitted by Interior Demolition, Inc. was the lowest, responsive and responsible bid based upon the IFB evaluation criteria; and

**WHEREAS**, HACLA’s Board of Commissioners (“Board”) desires to award Interior Demolition, Inc. a contract award in the total amount not to exceed \$2,152,666 pursuant to the IFB, as recommended in the Report of the President and CEO of the same date herewith (the “CEO Report”).

**NOW, THEREFORE, BE IT RESOLVED** that the Board authorizes the President and CEO, or designee, to execute a contract with Interior Demolition, Inc., in a total contract amount not to exceed \$2,152,666, pursuant to award under the IFB as recommended in the CEO Report.

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

APPROVED AS TO FORM:

HOUSING AUTHORITY OF THE  
CITY OF LOS ANGELES

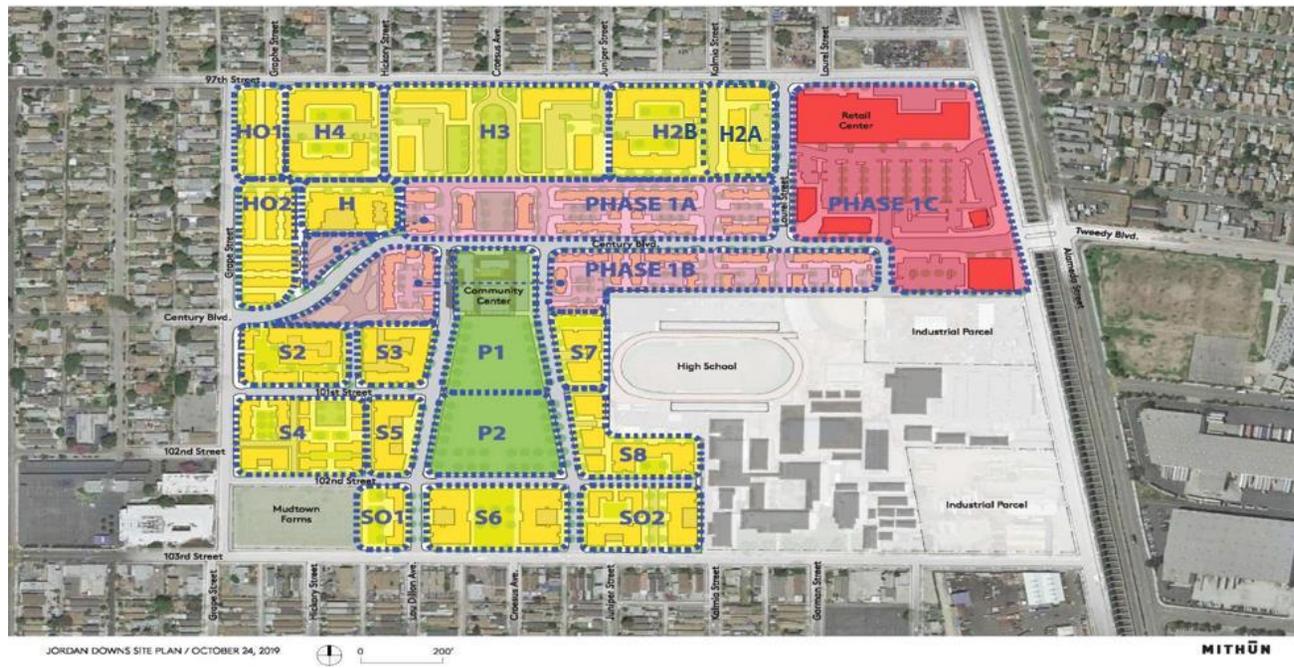
By: \_\_\_\_\_  
James Johnson, General Counsel

By: \_\_\_\_\_  
Cielo Castro, Chairperson

Date Adopted: \_\_\_\_\_

## ATTACHMENT 2

### Jordan Downs Site Plan



## ATTACHMENT 3

### Summary of Procurement and Outreach

#### IFB No. HA-2021-153

Demolition at Jordan Downs Areas H2(a), P1 and S7

#### A. **Funding Source**

Federal     Non-Federal     Mixed Funding

#### B. **Advertisement; Minority/Women-Owned Business Outreach**

General Services advertised the Invitation for Bid (“IFB”) on the City of Los Angeles’ Business Assistance Virtual Network (“BAVN”) website starting on September 9, 2021, until the bid submission deadline on September 28, 2021, for a total of nineteen (19) days. A total of one hundred-ninety (190) vendors viewed the IFB on the BAVN website.

In support of HACLA’s policy to contract with Minority-Owned Business Enterprises (“MBEs”), Women-Owned Business Enterprises (“WBEs”) and Labor Surplus Area (“LSAs”) businesses for the delivery of goods and services to the extent possible, notice of this IFB was provided to the businesses identified on HACLA’s list of recognized MBE’s/WBE’s and to the local office of the U.S. Small Business Administration (“SBA”) for its further dissemination.

#### C. **Job Walk in Lieu of Pre-Bid Conference**

A pre-bid conference was not held due to COVID-19 restrictions. HACLA offered an optional job-walk session on September 16, 2021. A total of eleven (11) vendors participated in the job-walk including the four (4) firms that submitted bids. All questions raised during the job-walk along with questions received by the due date noted below were answered via addenda posted on the BAVN website.

#### D. **Addenda**

On September 22, 2021, Addendum No. 1 was posted on the BAVN website in response to questions received by the submission deadline of September 17, 2021. In addition, a request for HACLA’s list of MBE, WBE and LSA businesses was requested and included with Addendum No. 1.

#### E. **Sealed Bids Received and Opened**

The sealed bids were due by 10:00 a.m. on September 28, 2021. A total of four (4)

sealed bids were received and opened at that time. The following base bid amounts were recorded:

<b>Company Name</b>	<b>Base Bid Totals</b>
Interior Demolition, Inc. (Apparent Lowest Bid*)	\$593,888
Integrated Demolition and Remediation, Inc.	\$748,000
AMPCO, Contracting, Inc.	\$764,984
Resource Environmental, Inc.	\$804,100

Bid abstract results were posted at: <http://www.hacla.org/contractingprocess>.

**F. Review of Bids for Responsiveness and Bidder Responsibility**

The Contract Administrator, with the assistance of the Section 3 Compliance Administrator and the Development Services Department, determined that the apparent lowest bidder, Interior Demolition, Inc., was responsive and responsible. While some bidders were missing items at the time of submission, had they been identified as the apparent lowest bidder, they would have been provided the opportunity to submit the missing items as permitted under Part VII, paragraph 2 of the IFB, which provides HACLA with the discretion to waive any informalities, minor irregularities or inconsequential deviations in the bids.

**G. Workforce Profile**

Interior Demolition, Inc., submitted a Workforce Profile that revealed the following workforce composition:

<b><u>Company</u></b>	<b><u>Employees</u></b>
Interior Demolition, Inc.	Total: 32 32 minorities = 100% 6 women = 19%

**H. Recommendation for Award**

While recognized as a very aggressively-priced bid, Interior Demolition, Inc.'s base bid of \$593,888, is comparable to its current contract at Jordan Downs Areas S2/S3, and was determined both price reasonable and realistic. To determine price reasonableness, Development Services staff reviewed bids received for previous Jordan Downs' demolition projects at Area G (2016) and Area H (2019), as well as the contract for demolition of Areas S2/S3, which was also awarded to Interior Demolition, Inc., in 2020, and determined that the bid for this project is comparable

to its award at Areas S2/S3, and the average bid price received for that and other solicitations. Only the base bids provided by the bidders were considered for the demolition and abatement costs (excluding security costs and allowances), in order to directly compare past bid amounts that similarly excluded those line items.

Additionally, base bids were required to include the unit ton prices for excavation, removal, hauling and disposal of soil and inert debris, as well as the import of clean soil. Therefore, in order to determine the lowest responsive and responsible bidder, the above services were compared among the four (4) bidders inclusive of the sample 1,000 tonnage amounts in each fee category as provided in the IFB bid forms. The actual quantities in each category are unknown at this time and will continue to be unknown until the demolition activities are completed and subsoil investigation can be completed. The due diligence concluded that notwithstanding the lower bids in some categories of expense by certain bidders, the over-all lowest bid was that of Interior Demolition, Inc., based upon the criteria specified in the IFB, as detailed in the following table.

<b>CATEGORY</b>	<b>Interior Demolition, Inc.'s</b>	<b>Integrated Demolition, &amp; Remediation, Inc.'s</b>	<b>Resource Environmental, Inc.'s</b>	<b>AMPCO, Contracting, Inc.'s</b>
Abatement work (flat rate)	\$45,000	\$74,000	\$157,000	\$94,256
Demolition work (flat rate)	\$548,888	\$674,000	\$647,000	\$670,728
<b>SUBTOTAL</b>	<b>\$593,888</b>	<b>\$748,000</b>	<b>\$804,000</b>	<b>\$764,984</b>
<i>Categories below demonstrate the unit price (Black) and the comparison measure (in Blue)</i>				
Excavation, removal, hauling, disposal of soil	Bid Unit Cost \$175	Bid Unit Cost \$250	Bid Unit Cost \$142	Bid Unit Cost \$160.09
<i>For comparison: based on 1,000 tons</i>	<i>\$175,000</i>	<i>\$250,000</i>	<i>\$142,000</i>	<i>\$160,090</i>
Excavation, removal, hauling, disposal of inert debris	Bid Unit Cost \$150	Bid Unit Cost \$150	Bid Unit Cost \$207	Bid Unit Cost 160.09
<i>For comparison: based on 1,000 tons</i>	<i>\$150,000</i>	<i>\$150,000</i>	<i>\$207,000</i>	<i>\$160,090</i>

Import clean soil	Bid Unit Cost \$50	Bid Unit Cost \$200	Bid Unit Cost \$32	Bid Unit Cost \$9
<i>For Comparison: based on 1,000 tons</i>	<i>\$50,000</i>	<i>\$200,000</i>	<i>\$32,000</i>	<i>\$9,000</i>
<b>TOTAL AMOUNT (adding comparison amounts)</b>	<b>\$968,888</b>	<b>\$1,348,000</b>	<b>\$1,185,000</b>	<b>\$1,094,164</b>

Therefore, the Development Services Department requests that the Board of Commissioners authorize the President and CEO, or designee, to execute a contract with Interior Demolition, Inc., in an amount not to exceed \$2,152,666. The total recommended contract award is comprised of the following sums:

<b>Bid Item</b>	<b>Description of Work</b>	<b>Base Bid Price</b>
1	Abatement Work	\$45,000 (firm, fixed)
2	Demolition Work	\$548,888 (firm, fixed)
Allowance	Excavation, removal, hauling and disposal of excess soil (@ \$175 per ton) and inert debris (@\$150 per ton)	\$975,000 (not-to-exceed)
Allowance	Import of clean soil (@\$50 per ton)	\$150,000 (not-to-exceed)
Allowance	Permits and Fees (at cost)	\$75,000 (not-to-exceed)
Contingency	As needed – requires approved change order (20%)	\$358,778 (not-to-exceed)

On October 13, 2021, all bidders were notified of this contract award recommendation.

### MBE/WBE ORGANIZATIONS MAILING LIST

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