RESOLUTION AUTHORIZING THE PRESIDENT & CEO, OR DESIGNEE, TO EXECUTE A CONTRACT WITH GANAHAL LUMBER COMPANY FOR AN INITIAL ONE-YEAR TERM WITH THREE (3) ONE-YEAR OPTIONS TO EXTEND, FOR AS-NEEDED LUMBER, PLYWOOD AND RELATED PRODUCTS FOR A TOTAL AMOUNT NOT-TO-EXCEED $2,600,000 INCLUDING SALES TAX

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. Having lumber, plywood, and related products that will support the functionality, maintenance and improvement of its housing stock are crucial in preserving our low-income housing. The proposed contract will allow HACLA to purchase lumber, plywood, and related products for on-going maintenance and capital improvements of HACLA’s 14 public housing sites (“Sites”).

Regarding: The proposed contract will allow HACLA to purchase lumber, plywood, and related products to repair and maintain HACLA’s public housing stock and complete capital improvement projects. HACLA requires these materials to perform routine repairs and capital improvements at its 14 public housing sites for cabinets, shelves, subfloors, shoe base molding, balconies, windowsills, framing, concrete forms, minor roofing, bathrooms, and stairs. The Housing Services Department anticipates its average annual expenditure over the next four years to be approximately $650,000, including tax, for a total of $2,600,000.

Procurement: The proposed contract is based on a competitive contract awarded by the County of Los Angeles. The U.S. Department of Housing and Urban Development (“HUD”) encourages housing agencies to purchase items under contracts awarded by other public agencies through a “cooperative purchasing” procedure. HACLA wishes to utilize Contract No. MA-IS-2240023-1 (“County Contract”), between the County of Los Angeles and Ganahl Lumber Company which is for an initial three (3) year term, effective October 7, 2021, through May 6, 2024, renewable for up to two (2) additional years by mutual consent of the County and Ganahl Lumber Company through May 6, 2026. The proposed contract for an initial one-year term, with 3 one-year options to renew through 2026 is consistent with the County’s “mutual consent” 2026 term expiration. Should the County and Ganahl not reach mutual agreement
to renew, then HACLA will initiate a procurement prior to the expiration of the contract to secure a vendor for lumber.

The County Contract was procured through a competitive process administered by the County of Los Angeles through Request for Bid No. RFB-IS-21200575 and reflects competitive pricing secured by the County due to its volume purchasing. Ganahl Lumber Company’s prices are on average 15% less and its markup is on the average 3% less than its competitor, Jones Lumber Company, which was also the second lowest bid received by the County of Los Angeles. Both bids reflect the significant purchasing power of the County that HACLA would like to harness.

HACLA has determined that piggy-backing off of the County Contract satisfies its Procurement Policy and HUD’s criteria for a cooperative purchasing because: (i) the use of the County Contract 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 is sufficiently equivalent to the scope of the goods required; (iv) the County Contract was procured in compliance with 2 CFR Part 200; and (v) the cost and availability of the goods were evaluated as part of the solicitation; and (vi) the proposed contract will be re-evaluated by staff on an annual basis.

**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 staff requires various lumber, plywood, and related products for site maintenance and capital 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 maintains 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 does not fully address capital backlogs. Managing these 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 the annual expenditure of $650,000 including tax for lumber, plywood and related products based on estimated as-needed maintenance and capital improvement projects needed at public housing sites. These expenditures are included in HACLA’s 2022 Operating and Capital Fund Budgets and will be budgeted in subsequent years as required.

Environmental Review:

Approval of the contract with Ganahl Lumber Company is exempt from CEQA and NEPA.

Section 3: Section 3 covers contracts for services and does not apply to contracts for the purchase of supplies and materials (24 CFR Part 75). Notwithstanding, HACLA imposed Section 3 requirements pursuant to its Section 3 Policy and Compliance Plan. Ganahl Lumber Company is located in Anaheim and hiring or training is not feasible. Instead, they will contribute to the Section 3 Fund. The funds will be allocated for resident educational and/or career purposes. Ganahl Lumber Company has previously participated in the Section 3 Fund and contributed to the program.

Attachment:

1. Resolution
RESOLUTION NO._______________

RESOLUTION AUTHORIZING THE PRESIDENT & CEO, OR DESIGNEE, TO EXECUTE A CONTRACT WITH GANAHL LUMBER COMPANY, FOR AN INITIAL ONE-YEAR TERM WITH THREE (3) ONE-YEAR OPTIONS TO EXTEND, FOR AS-NEEDED LUMBER, PLYWOOD AND RELATED PRODUCTS FOR A TOTAL AMOUNT NOT-TO-EXCEED $2,600,000 INCLUDING SALES TAX

WHEREAS, the Housing Authority of the City of Los Angeles ("HACLA") requires lumber, plywood and related products for on-going maintenance and capital improvements of its 14 public housing sites that will support the functionality, maintenance and improvement of its housing stock;

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") encourages housing agencies to purchase common goods and services that are routine in nature under contracts awarded by other public agencies through a “cooperative purchasing” procedure (“piggy-backing”) to realize greater economy, efficiencies, and reduce costs;

WHEREAS, on March 19, 2021, the County of Los Angeles, advertised Request for Bids ("RFB") RFB-IS-21200575, for lumber, plywood and related products, which resulted in a contract between the County of Los Angeles and Ganahl Lumber Company;

WHEREAS, for the reasons set forth in the Report of the President and CEO of the same date herewith, HACLA desires to enter into a contract with Ganahl Lumber Company, pursuant to its contract with the County of Los Angeles; and

WHEREAS, the Chief Administrative Officer confirms the necessary funds are available and included in HACLA’s 2022 Annual Budget and will be 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 one-year contract with three (3) one-year options to extend with Ganahl Lumber Company, for a total contract amount not-to-exceed $2,600,000, including sales tax, to provide lumber, plywood and related products.

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

APPROVED AS TO FORM: HOUSING AUTHORITY OF THE
BY: _____________________ CITY OF LOS ANGELES

BY: _____________________ Cielo Castro, Chairperson

James Johnson, General Counsel

DATE ADOPTED: ______________________