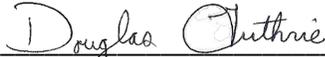


REPORT OF THE PRESIDENT AND CEO

December 15, 2022

RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT WITH DUNN-EDWARDS CORPORATION FOR AS-NEEDED PAINT AND PAINTING SUPPLIES FOR A TOTAL AMOUNT NOT-TO-EXCEED \$6,200,000



 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 maintenance of its public housing portfolio. Having sufficient paint and painting supplies supports the functionality, maintenance and improvement of its housing stock and are essential in preserving our low-income housing. The proposed contract will allow HACLA to purchase paint and painting supplies, for the on-going maintenance and capital improvements of HACLA’s 14 public housing sites (“Sites”).

Procurement:

The proposed contract is based on a cooperative purchasing contract awarded through the Strategic Alliance for Volume Expenditures (“S.A.V.E.”). S.A.V.E. is a consortium of government and public agencies in the State of Arizona that allows cooperative purchasing. Cooperative contracts are competitively solicited and publicly awarded by a lead agency in S.A.V.E. In this instance, the Paradise Valley Unified School District (“PVUSD”), located in Phoenix Arizona, was S.A.V.E.’s lead agency in the procurement of the Dunn-Edwards Corporation (“Dunn-Edwards”) contract for paint and painting supplies, pursuant to a competitive procurement process. On August 12, 2021, PVUSD advertised Invitation for Bid (“IFB”) No.2-010 for paint and painting supplies through AZPurchasing.org, and emailed the notification to approximately forty (40) additional vendors. Following a determination that Dunn-Edwards was the lowest responsive and responsible bidder, PVUSD entered into a cooperative purchasing contract with Dunn-Edwards (the “Agreement”). The Agreement has a potential five-year term which may be extended through September 23, 2026. The Agreement reflects the purchasing power of S.A.V.E, as evidenced by aggressive pricing with volume discounts, resulting in an average savings per year of approximately 51% percent off catalog prices.

HACLA has determined that piggybacking off of the Agreement will satisfy its Procurement Policy and HUD’s criteria for cooperative purchasing because: (i) use of the 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 is sufficiently equivalent to the scope of the goods required; (iv) the Agreement 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 the Agreement will be re-evaluated by staff on an annual basis. Moreover, through harnessing the purchasing power of S.A.V.E, HACLA will realize greater economies and efficiencies.

HACLA anticipates its average annual expenditure with Dunn-Edwards to be approximately \$2,066,666, including tax, with an initial one (1) year term, with two (2), one year options to extend for a total of \$6,200,000 to maintain its housing stock and to complete capital improvement projects.

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 tools, equipment, and supplies 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 \$2,066,000 including tax for paint and painting supplies based on estimated needs at public housing sites. These expenditures are included in HACLA's 2023 Operating and Capital Fund Budgets and will be budgeted in subsequent years as required.

Environmental Review:

Approval of the contract with Dunn-Edwards 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 (see 24 CFR 75). However, Dunn-Edwards will provide priority consideration to Section 3 workers for employment opportunities in its stores and warehouses in the Los Angeles area. Candidates referred by HACLA will have an exclusive point of contact to receive resumes and schedule interviews for a variety of positions, including Sales Associates, Customer Service Representatives, Color Technicians, Color Advisors, etc.

Attachment: 1. Resolution

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT WITH DUNN-EDWARDS CORPORATION FOR AS-NEEDED PAINT AND PAINTING SUPPLIES FOR A TOTAL AMOUNT NOT-TO-EXCEED \$6,200,000

WHEREAS, the Housing Authority of the City of Los Angeles (“HACLA”) requires paint and painting supplies (together “Painting Supplies”) for on-going maintenance and capital improvements of its 14 public housing sites that will support the functionality, maintenance and improvement of its public housing stock;

WHEREAS, the U.S. Department of Housing and Urban Development 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 to realize greater economy, efficiencies, and reduce costs;

WHEREAS, the Paradise Valley Unified School District (“PVUSD”), as the lead agency and in partnership with the Strategic Alliance for Volume Expenditures (“S.A.V.E.”), advertised Invitation for Bid No.22-010 for Painting Supplies, and thereafter entered into a cooperative purchasing contract with the Dunn-Edwards Corporation (the “Agreement”);

WHEREAS, for the reasons set forth in the Report of the President and CEO of the same date herewith, HACLA finds that entering into a contract with Dunn-Edwards Corporation pursuant to the Agreement satisfies federal cooperative purchasing requirements, and will help HACLA realize greater economies and efficiencies; and

WHEREAS, the Chief Administrative Officer confirms the necessary funds are available and included in HACLA’s 2023 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 two (2) one-year options to extend with Dunn-Edwards Corporation, for a total contract amount not-to-exceed \$6,200,000, including sales tax, to provide Painting Supplies.

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: _____