



Berkeley Housing Authority

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Office of the Executive Director

Item 4D

CONSENT CALENDAR

September 16, 2010

To: Honorable Chairperson and
Members of the Berkeley Housing Authority Board

From:  Ma M. Ingram, Executive Director

Subject: Consideration of a resolution authorizing an amendment to the contract with Cornerstone Select Builders, Inc. ("Cornerstone"), increasing the contract authority by \$5,078.21, for a total not to exceed \$179,078.21.

RECOMMENDATION

Approve a resolution authorizing an amendment to the contract with Cornerstone Select Builders, Inc. ("Cornerstone"), increasing the contract authority by \$5,078.21 for a total not to exceed \$179,078.21.

BACKGROUND

On April 22, 2009 the Housing Authority issued a bid solicitation for the rehabilitation of three vacant units in the Low Income Public Housing program (1402 Martin Luther King, Jr. Way; 2798 Sacramento St #A; 2729 Sojourner Truth Court). On October 8, 2010, the Board awarded the contract to Cornerstone in the amount of \$156,388.55. Change orders totalling approximately \$17,600 were required to address (1) additional work resulting from vandalism, (2) additional work items that were not known until work began in the units and (3) cost for armed security following two incidents where workers were accosted at gun point, bringing the total contract to \$174,000; this amendment was approved on March 11, 2010, by the BHA Board.

Work was completed in April, and three qualified families, appropriately sized for these larger units, took occupancy in May. We took the following actions to expedite occupancy of the units to avoid vandalism, including: constant site inspections by the Property Manager and informing neighbors of the rehabbed vacant units.

When we bid the project, we were optimistic that it would qualify for a fee waiver of the building permit fees by the City of Berkeley, given that the work was conducted on low income public housing projects. About the same time we were initiating contracts for our roofing project, and confirmed that permits and associated fees are required for BHA improvement projects. Our architect, Charlie Pick (Basis Architectural Consultant) made several attempts to have the fees waived, with no success. Accordingly, Cornerstone paid the required fees (\$5,078.21) and obtained the required permits. A change order equal to the permit fees has been requested, and staff recommends approval.

FISCAL IMPACTS OF RECOMMENDATIONS

\$5,078.21. Funds have been budgeted from Capital Fund monies from prior years not used and the LIPH reserve account.

CONTACT PERSON

Tia M. Ingram, Executive Director, 981-5471

Jesy Yturralde, Finance Manager, 981-5488

Attachment:

1. Resolution

BERKELEY HOUSING AUTHORITY
RESOLUTION NO. 10-

AUTHORIZING AN AMENDMENT TO THE CONTRACT WITH CORNERSTONE SELECT BUILDERS, INC. ("CORNERSTONE"), INCREASING THE CONTRACT AUTHORITY BY \$5,078.21, FOR A TOTAL NOT TO EXCEED \$179,078.21.

WHEREAS, the Berkeley Housing Authority is the owner/landlord for 61 units of Low Income Public Housing; and

WHEREAS, the Berkeley Housing Authority is required by the U.S. Department of Housing and Urban development (HUD) to maintain the units and lease them to eligible families; and

WHEREAS, the Berkeley Housing Authority relies upon contractors for all maintenance and rehabilitation activities; and

WHEREAS, the vacant units at 1402 Martin Luther King Jr. Way, 2798 Sacramento Street #A and 2729 Sojourner Truth Way were severely distressed when they were vacated by the previous tenants and necessitated more than typical turn-over activities prior to leasing; and

WHEREAS, the Berkeley Housing Authority developed a specification for the required repairs and solicited bids; and

WHEREAS, the City of Berkeley required payment for building and related permits for the project; and

WHEREAS, Cornerstone paid for the costs of required building permits for the work and is seeking reimbursement for those costs; and

WHEREAS, staff has confirmed that permit fees were not identified in the RFP as the financial responsibility of the contractor; and

WHEREAS, the Procurement Policy does not provide for the Executive Director approving change orders in situations where the total project cost exceeds \$50,000.

NOW THEREFORE, BE IT RESOLVED, that the Executive Director amend the contract with Cornerstone Select Builders, Inc. ("Cornerstone"), increasing the contract authority by \$5,078.21 for a total not to exceed \$179,078.21.

The foregoing Resolution was adopted by the Board of the Berkeley Housing Authority on September 16, 2010 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

Attest: _____
Tia M. Ingram, Secretary