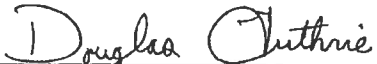


RESOLUTION AUTHORIZING THE PRESIDENT AND CEO TO ENTER INTO A SECOND AMENDMENT TO CONTRACT HA-2018-87-NF WITH INTEGRATED ENGINEERING MANAGEMENT TO INCREASE ITS MAXIMUM PAYMENT OBLIGATION BY \$50,000 FOR A TOTAL CONTRACT AWARD OF \$300,000



Douglas Guthrie
President & Chief Executive Officer



Jenny Scanlin
Chief Development Officer

Purpose: An additional \$50,000 in contract funding is needed to ensure continuity of the construction administration services performed by Integrated Engineering Management (IEM) for the Jordan Downs Development project.

Regarding: The Authority entered into contract number HA-2018-87-NF with Integrated Engineering Management (IEM) to monitor ongoing Phase I construction activities for the Jordan Downs Development project with a maximum payment obligation of \$150,000. The parties later entered into Amendment No.1 which increased the contract's maximum payment obligation to \$250,000 and extended the term to October 31, 2020. The additional funds are needed in order for IEM to complete oversight of Phase IA, IB and IC and demolition of Areas H, S2 and S3, which involves monitoring ongoing construction activities.

Issues: IEM, acting as HACLA's representative, has been involved in coordinating construction activities with the developers on a weekly basis for the last two years to ensure timely construction completion of phase IA, IB, and IC of the Jordan Downs redevelopment. Among other responsibilities, IEM services play a critical role in the coordination with utility agencies to ensure timely provision of services and to facilitate occupancy.

Phase IA and IC are at the final stages of construction close-out, and Phase IB is expected to be completed by July/August 2020. Substantial completion dates for phases IA, IB and IC have been postponed several times by contractors during the past few months due to a variety of reasons. These construction delays required IEM oversight and engagement and extended the hours IEM representatives spent in owner's representative duties, causing exhaustion of funding allocated to IEM for construction administration with a rate faster than what was forecast.

Staff have examined current IEM activities and determined that given IEM's historical knowledge of Phase I, the steep learning curve a new firm would encounter, associated cost to the Authority, and the critical timing of Jordan Downs redevelopment, it is in the Authority's best and most economical interest to add the necessary funds to IEM's contract rather than to solicit for and contract with a new firm.

To ensure sufficient funds are available to permit IEM to perform these critical closeout activities without interruption, the Authority must increase IEM's contract by \$50,000 over the current contracting authority of the President and CEO and is therefore requesting approval by the Board of Commissioners for this contract increase.

Current Request:

To authorize the President & CEO to execute Amendment No. 2 to Contract No. HA-2018-87-NF with IEM to increase the maximum payment obligation by \$50,000 for a total contract amount of \$300,000.

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

Extending this contract allows the Authority to ensure that the craftsmanship of construction is consistent with the approved plans and specifications, funds are appropriately spent on work completed, and the final product meets the Authority's expectations.

Funding: The Chief Administrative Officer confirms the following:

Source of Funds: Non-federal funds generated by the non-public housing rental portfolio.

Budget and Program Impact: The necessary funds are available and are included in the approved FY2020 Operating Budget for Development Services.

Environmental

Review: Not Applicable

Section 3: IEM committed to hiring a Section 3 Resident intern to assist with general administrative duties, including documenting progress of work underway, taking photos of work site and other construction related administrative duties. Immediately following execution of the original contract, IEM worked with HACLA's Section 3 staff and hired a Section 3 resident from the community. The intern is still working with IEM.

Attachments:

1. Resolution
2. Proposed Second Amendment to Contract HA-2018-87-NF

ATTACHMENT 1

RESOLUTION

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE PRESIDENT AND CEO TO ENTER INTO A SECOND AMENDMENT TO CONTRACT HA-2018-87-NF WITH INTEGRATED ENGINEERING MANAGEMENT TO INCREASE ITS MAXIMUM PAYMENT OBLIGATION BY \$50,000 FOR A TOTAL CONTRACT AWARD OF \$300,000

WHEREAS, the Housing Authority entered into Contract Number HA-2018-87-NF (the "Contract") with Integrated Engineering Management (IEM) for monitoring ongoing construction activities for Phase I of the Jordan Downs Development project with a maximum payment obligation of \$150,000; and

WHEREAS, due to redevelopment delays and other circumstances beyond the control of IEM, the Housing Authority and IEM entered into Amendment No.1 to the Contract to increase the maximum payment obligation to \$250,000 and to extend the contract term through October 31, 2020; and

WHEREAS, having determined that it is in its best and most economical interest of the Authority, the Authority now desires to increase the Contract's maximum cumulative payment obligation by an additional \$50,000 for a total contract amount of \$300,000 to ensure continuity of IEM's services.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners hereby authorizes the President & CEO to execute Amendment No. 2 to the Contract with IEM to increase the maximum payment obligation by \$50,000 for a total contract amount of \$300,000.

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

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

By: _____
Chairperson

APPROVED AS TO FORM:
James Johnson

BY: _____
General Counsel

DATE ADOPTED: _____

ATTACHMENT 2
DRAFT SECOND AMENDMENT TO CONTRACT

**AMENDMENT NO. 2 TO
CONTRACT NUMBER HA-2018-87-NF
BETWEEN
THE HOUSING AUTHORITY OF THE CITY OF LOS ANGELES
AND
INTEGRATED ENGINEERING MANAGEMENT**

THIS AMENDMENT NO. 2 is made and entered into this day _____ of April, 2020 by and between the Housing Authority of the City of Los Angeles, a public body, corporate and politic (hereinafter referred to as the "Authority"), and INTEGRATED ENGINEERING MANAGEMENT (hereinafter referred to as the "Service Provider").

RECITALS

WHEREAS, on November 1, 2018, the Authority and the Service Provider entered into Contract No. HA-2018-87-NF ("Contract") for services generally described as construction manager services ("Services") to monitor ongoing construction activities for the Jordan Downs Development for the Contract Sum of \$150,000.00; and

WHEREAS, Contract Amendment No. 1, dated August 15, 2019, extended the Contract Term through October 31, 2020 and increased the Contract Sum from \$150,000 to \$250,000; and

WHEREAS, by Resolution No. _____ adopted on April 23, 2020, the Board of Commissioners approved an increase in the Contract Sum of \$50,000 to permit Service Provider to provide continuing Services as the project work on Phases 1A, 1B and IC wind down, for a Maximum Cumulative Payment Obligation of \$300,000.

NOW, THEREFORE, it is mutually understood and agreed to by the Authority and the Service Provider that Contract No. HA-2018-87-NF is hereby amended as follows:

1. Paragraph C (Maximum Cumulative Payment Obligation) of Section 3 of the Contract is superseded and replaced with the following:

C. Maximum Cumulative Payment Obligation. Notwithstanding any other provision of this Contract to the contrary, the Authority's maximum cumulative payment obligation to Service Provider under this Contract shall be Three Hundred Thousand Dollars (\$300,000).

This Amendment No. 2 is incorporated in the Contract for all purposes and the Contract shall remain in full force and effect except as expressly amended by this Amendment No. 2. The balance of the terms of the Contract shall remain unchanged.

IN WITNESS WHEREOF, the Authority and the Services have executed this Amendment No. 2 to Contract No. HA-2018-87-NF on the day and year first above written.

Approved as to form

**HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES**

By: _____
Legal Counsel

By: _____
MARLENE GARZA
Chief Administrative Officer

Name: _____

INTEGRATED ENGINEERING MANAGMENT

By: _____
(Signature of Person Authorized To Sign)

(Printed Name of Person Authorized To Sign)

Title: _____

Date: _____