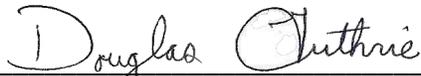


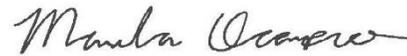
REPORT OF THE PRESIDENT AND CEO

August 26, 2021

RESOLUTION AUTHORIZING THE PRESIDENT & CEO, OR DESIGNEE, TO EXECUTE A CONTRACT WITH HD SUPPLY FACILITIES MAINTENANCE, LTD. FOR AN INITIAL ONE-YEAR TERM WITH FOUR (4) ONE-YEAR OPTIONS TO EXTEND, FOR AS-NEEDED MAINTENANCE, REPAIR, OPERATING SUPPLIES AND RELATED PRODUCTS FOR A TOTAL AMOUNT NOT-TO-EXCEED \$16,000,000 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 supplies, tools, and equipment 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 maintenance, repair and operation (“MRO”) supplies, for on-going maintenance and capital improvements of HACLA’s 14 public housing sites (“Sites”).

Regarding: The proposed contract will allow HACLA to purchase MRO supplies to repair and maintain HACLA’s public housing stock and complete capital improvement projects. HACLA requires maintenance materials to perform routine repairs at its 14 public housing sites. Specifically, HACLA purchases electrical, plumbing and hardware supplies such as water and wall heaters, floor tiles, paint sundries, tools and janitorial products. The Housing Services Department anticipates its average annual expenditure over the next five years to be approximately \$3,200,000, including tax, for a total of \$16,000,000 to repair and maintain its housing stock and to complete capital improvement projects.

Procurement: The proposed contract is based on a cooperative purchasing contract awarded through OMNIA Partners (“OMNIA”), formerly the U.S. Communities Government Purchasing Alliance. OMNIA is the largest cooperative purchasing organization for public sector procurement. Cooperative contracts are competitively solicited and publicly awarded by a government entity serving as the lead agency.

OMNIA awarded HD Supply Facilities Maintenance, Ltd. (“HD Supply”) a contract after a competitive process. On August 4, 2016, OMNIA, in partnership with Maricopa County (“County”) in Arizona, advertised Request for Proposal (“RFP”) (No.16154), for maintenance, repair, operating, industrial supplies and related

products, on behalf of the County and other government agencies, which resulted in a cooperative purchasing contract between OMNIA and HD Supply herein called "OMNIA-HD Supply Agreement". The OMNIA-HD Supply Agreement is effective through December 31, 2026. The Agreement reflects the purchasing power of OMNIA, as evidenced by aggressive pricing with volume discounts, resulting in an average savings per year of approximately 18% percent off the catalog price. HACLA will also receive a 2% annual rebate from HD Supply.

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 Omnia Partners, HACLA will realize greater economies and efficiencies.

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 \$3,200,000 including tax for MRO supplies based on estimated as-needed maintenance and capital improvement projects needed at public housing sites.

These expenditures are included in HACLA's 2021 Operating and Capital Fund Budgets and will be budgeted in subsequent years as required.

Environmental Review:

Approval of the contract with HD Supply Facility Maintenance LTD 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; HUD Handbook No 7460.8 Rev2). However, HACLA has imposed Section 3 requirements per its Section 3 Policy and Compliance Plan. HD Supply will provide four (4) training classes per year for HACLA residents.

Since 2015, HD Supply has been providing training classes to our residents in our public housing sites. HD Supply's training classes are structured to help job candidates qualify for maintenance job openings in both the public and the private business sector, and well as provide basic construction training to start careers in the construction industry.

Since 2015, over 190 residents at various public housing sites have participated in trainings, such as, Safety on Site, Make Ready Maintenance, Plumbing and Electrical, and consequently been hired by contractors to perform construction work and some were hired by HACLA as maintenance workers.

Attachment:

1. Resolution

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE PRESIDENT & CEO, OR DESIGNEE, TO EXECUTE A CONTRACT WITH HD SUPPLY FACILITIES MAINTENANCE, LTD. FOR AN INITIAL ONE-YEAR TERM WITH FOUR (4) ONE-YEAR OPTIONS TO EXTEND, FOR AS-NEEDED MAINTENANCE, REPAIR, OPERATING SUPPLIES AND RELATED PRODUCTS FOR A TOTAL AMOUNT NOT-TO-EXCEED \$16,000,000 INCLUDING SALES TAX

WHEREAS, the Housing Authority of the City of Los Angeles (“HACLA”) requires supplies, tools, and equipment 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 August 4, 2016, OMNIA Partners (“OMNIA”), in partnership with Maricopa County (“County”) in Arizona, advertised Request for Proposal (“RFP”) (No.16154), for maintenance, repair, operating, industrial supplies and related products, on behalf of the County and other government agencies, which resulted in a cooperative purchasing contract between OMNIA and HD Supply Facilities Maintenance, LTD. herein called OMNIA-HD Supply Agreement;

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 HD Supply Facilities Maintenance, LTD., pursuant to the OMNIA-HD Supply Agreement; and

WHEREAS, the Chief Administrative Officer confirms the necessary funds are available and included in HACLA’s 2021 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 four (4) one-year options to extend with HD Supply Facilities Maintenance, LTD., for a total contract amount not-to-exceed \$16,000,000, including sales tax, to provide maintenance, repair and operation 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: _____