Legislation Details (With Text)

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Title:	Northern Oaks Rehabilitation Project				
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Attachments:	1. 1 -1Bids receieved- Creekwood Construction -Northern Oaks, 2. 2 - Bids receieved- Ronald Carlsen - Northern Oaks, 3. 3 - Brands- email form Ron Carlsen, 4. 4 - Copy of Measures costs comp- Northern Oaks, 5. 5 - Copy of Measures costs comp- Northern Oaks-2, 6. 6 - Brands- email form Ron Carlsen, 7. 7 - Northern Oaks- Ron Carlsen- follow up email for clarifications, 8. 8 - Affidavit of Publication- Northern Oaks, 9. 9 - Bid Invitation and Scope of Work - Northern Oaks, 10. 10 - Bid Summary Sheet, 11. 11 - Public Bid Opening - Minutes 5-21-19- Northern Oaks				

Date	Ver.	Action By	Action	Result

DATE: July 1, 2019

TO: Members of the Housing & Redevelopment Authority

FROM: Janine Atchison, Housing Coordinator

Northern Oaks Rehabilitation Project

SUMMARY AND ACTION REQUESTED:
The Housing & Redevelopment Authority (HRA) to review and approve the lowest competent bid received for Northern Oaks Townhome Rehabilitation Project.

BACKGROUND:
Northern Oaks is an 8 unit townhome project which provides affordable, workforce housing in Northfield. It is owned and operated by Three Rivers Community Action Agency (TRCA). The project was developed 1997-1999 utilizing Minnesota Housing finance Agency HOME, Greater Minnesota Housing Fund and local funding. The rents are affordable at 50% of the area median income (AMI).

The HRA committed 2016, 2017 and 2018 Community Development Block Grant (CDBG) funds totaling $106,537.66 for the rehabilitation of Northern Oaks Townhomes. TRCA, following the prescribed federal process for bidding, has obtained two bids for the rehab project.

Per Department of Housing & Urban Development (HUD) rules, the bid must be awarded to the lowest competent bid. The bids received by TRCA vary significantly. To ensure a fair bidding process, the HRA is being asked to review the bids and determine which is the lowest competent bid.

TCRA received bids from Ronald Carlsen and Creekwood Construction.

- One of the bids was lower, but did not specify the brands of materials to be used in construction as required. After the bid opening, TRCA requested and received materials information from this bidder.
- The other bid was higher, but specified acceptable materials for construction.

The bids and supporting documentation is contained in the HRA packet. TRCA Community Development Director, Leah Hall will be available at the HRA meeting to review the bids and answer questions.

ANALYSIS:
When determining lowest competent bid, the following criteria should be considered:

- Quality of Materials
- Contractor History
- Bid Price

In a conversation with Margaret Dykes, Executive Director of the Dakota County Community Development Authority (CDA), staff learned that HUD protocols allow for a governing body, in this case the HRA, to make the final decision regarding awarding the bid. The decision of the HRA will be forwarded to the CDA for their consideration.

OPTIONS:
The HRA could opt not to select a bid, select either bid or reject both bids. If the HRA chooses not to select a bid or rejects both bids, the bidding process will have to begin anew. If the HRA selects one bid, the information will be sent to the CDA for their approval, the contract will be awarded and work will commence.

The HRA should consider the timeliness of CDBG funds to be utilized for this project. The HRA's total CDBG contribution of $106,537.68 for the project is made up of 2016, 2017 and 2018 funds. The $28,595.68 from the 2016 CDBG fund must be fully used in 2019 or will revert back to the CDA for other projects.

RECOMMENDATION:
Staff recommends the HRA review the bids and select the lowest competent bidder.