

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Construction Of A Six-Plex Townhome
At Roosevelt Homes,
AMP 4, MN 1-2,
Contract No. 13-074

DATE April 24, 2013

Staff requests Board approval to award a contract for construction of a six-plex townhome at Roosevelt Homes (AMP 4, MN 1-2), to the lowest responsible bidder, Project One Construction, Inc., of Kimball, Minnesota, for the base bid amount of \$1,015,406. A copy of the March 14, 2013 bid tabulation is attached.

The base bid is for construction of a building containing five two-story, two-bedroom apartments and one single-level two-bedroom handicapped accessible apartment at the Roosevelt Homes site at 1584 Ames Avenue. The two-story units will have full basements and the handicapped unit will be slab on grade. The building will replace a six-unit building that was removed from the site after a natural gas explosion in 1980.

Funding for the construction of the building will be as follows;

- \$540,000 from a loan provided by Minnesota Housing (MFHA; award letter attached);
- \$306,021 from HUD Replacement Housing Factor grants provided to the PHA between 2007 and 2012; and
- \$169,385 from the HUD FFY2012 Capital Fund Program grant.

The Board approved submitting the development application to HUD for the construction of this building on June 29, 2012. HUD approved the development application on January 25, 2013.

Although the contract cost exceeds HUD's Housing Construction Cost (HCC) limit by \$262,304,

HUD approved the award because the MHFA funding covers the entire amount in excess of the HCC limit. The contract cost exceeds the HCC limit due to the following reasons:

- Making one of the six units slab-on-grade and fully accessible increased the complexity of the work and the cost.
- All units are fully protected by fire suppression sprinklers.
- Units are being built to a higher standard to meet the Green Communities Standards required by Minnesota Housing as part of their loan requirements.
- Units have security screens on the first floor windows to reduce future window breakage and increase security.
- Units have stucco on the exterior of the first floor and cementitious siding (like Hardi-Plank) on the second floor exteriors to provide extra durability and reduced maintenance costs.
- The contract includes necessary site work to remove an existing playground, modify the adjacent parking lot and run the sanitary sewer out to the middle of Ames Avenue.

Although the bid amount exceeds the architect's original estimate, the architect has reviewed the cost and states that it is reasonable.

Project One Construction, Inc. has not previously performed work for the PHA. Staff contacted several of Project One's references and received satisfactory responses.

Project One is a woman-owned business (WBE) and intends to subcontract approximately 3% of the contract work to minority business enterprises (MBE) and 1 percent of the contract work to women-owned business enterprises (WBE). Project One will also provide building trades pre-apprenticeship opportunities for PHA residents by participating in the "Step Up" program.

Project One intends to comply with Section 3 requirements by paying 2.5% of the contract amount to the PHA's Section 3 Training Fund.

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Copies of the Employer Information Reports for Project One, and the second low bidder, Weber Inc. are attached.

SEA/mlp

Attachments: Bid Tabulation
Employer Information Reports (EEO-1)
MHFA Grant Award Letter dated October 25, 2012

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Refuse Hauling Services
Mt. Airy Homes
Contract No. 14-005

DATE April 24, 2013

Staff requests Board approval to award a two-year contract for refuse hauling services for the 298 family units at Mt. Airy Homes to the lowest responsible bidder, Advanced Disposal Services Solid Waste Midwest, LLC of St Paul, Minnesota for a bid amount of \$3,283.96 per month, or approximately \$2.54 per dwelling unit per week. The price includes 90-gallon plastic trash containers on wheels provided by the contractor. The present contract amount is \$3.01 per weekly dwelling unit pick-up.

As stated in the bid documents, the low bid was determined by summing the four contract bid items. Using that method Advanced Disposal's bid was \$3,283.96 and the second low bid, from Republic Services of Minnesota, was \$4,306.10. A copy of the bid tabulation, dated April 15, 2013 is attached.

Staff anticipates that approximately \$39,407.52 will be spent during each year of the contract. Employer Information Reports for Advanced Disposal, and the second low bidder, Republic Services, are attached. Because this contract is based on unit prices, it is not subject to the Section 3 Policy's requirement for contributing to the PHA's Section 3 Training Fund.

Sufficient funds for this contract are in the current Operating Budget and will be included in the proposed budget for next year.

KY/mlp

Attachments: Bid Tabulation
Employer Information Reports

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Refuse Hauling Services at
Roosevelt Homes, MN 1-2
AMP 4, Contract No. 14-006

DATE April 24, 2013

Staff requests Board approval to award a two-year contract for refuse hauling services for the 314 family units at Roosevelt Homes to the lowest responsible bidder, Advanced Disposal Services Solid Waste Midwest, LLC of St Paul, Minnesota for a bid amount of \$3,460.28 per month, or approximately \$2.54 per dwelling unit per week. The price includes 90-gallon plastic trash containers on wheels provided by the contractor. The present contract amount is \$3.18 per weekly dwelling unit pick-up.

As stated in the bid documents, the low bid was determined by summing the four contract bid items. Using that method Advanced Disposal's bid was \$3,460.28 and the second low bid, from Republic Services of Minnesota, was \$4,217.22. A copy of the bid tabulation dated April 15, 2013 is attached.

Staff anticipates that approximately \$41,523.36 will be spent during each year of this two-year contract. Employer Information Reports for Advanced Disposal, and the second low bidder, Republic Services, are attached. Because this contract is based on unit prices, it is not subject to the Section 3 Policy's requirement for contributing to the PHA's Section 3 Training Fund.

Sufficient funds for this contract are in the current Operating Budget and will be included in the proposed budget for next year.

KY/mlp

Attachments: Bid Tabulations
Employer Information Reports

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Refuse Hauling Services at
Scattered Site Homes, Areas 2 & 3
AMP 9, Contract No. 14-007

DATE April 24, 2013

Staff requests Board approval to award a two-year contract for refuse hauling services for the 173 scattered site homes located in Management Areas 2 & 3 to the lowest responsible bidder, Advanced Disposal Services Solid Waste Midwest, LLC of St Paul, Minnesota for a bid amount of \$1,906.46 per month, or approximately \$2.54 per unit per week. The price includes 90-gallon plastic trash containers on wheels provided by the contractor. The present contract amount is \$3.09 per weekly dwelling unit pick-up.

As stated in the bid documents, the low bid was determined by summing the four contract bid items. Using that method Advanced Disposal's bid was \$1,906.46 and the second low bid, from Republic Services of Minnesota, was \$2,287.75. A copy of the bid tabulation dated April 15, 2013 is attached.

Staff anticipates that approximately \$22,877.52 will be spent during each year of the contract. Employer Information Reports for Advanced Disposal, and the second low bidder, Republic Services, are attached. Because this contract is based on unit prices, it is not subject to the Section 3 Policy's requirement for contributing to the PHA's Section 3 Training Fund.

Sufficient funds for this contract are in the current Operating Budget and will be included in the proposed budget for next year.

KY/mlp

Attachments: Bid Tabulations
Employer Information Reports

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Refuse Hauling Services at
Scattered Site Homes, Areas 1 & 4,
AMP 9, Contract No. 14-008

DATE April 24, 2013

Staff requests Board approval to award a two-year contract for refuse hauling services for the 192 scattered site homes located in Management Areas 1 & 4 to the lowest responsible bidder, Advanced Disposal Services Solid Waste Midwest, LLC of St Paul, Minnesota for a bid amount of \$2,102.40 per month, or approximately \$2.53 per unit per week. The price includes 90-gallon plastic trash containers on wheels provided by the contractor. The present contract amount is \$3.08 per weekly dwelling unit pick-up.

As stated in the bid documents, the low bid was determined by summing the four contract bid items. Using that method Advanced Disposal's bid was \$2,102.40 and the second low bid, from Republic Services of Minnesota, was \$2,512.56. A copy of the bid tabulation dated April 15, 2013 is attached.

Staff anticipates that approximately \$25,228.80 will be spent during each year of the contract. Employer Information Reports for Advanced Disposal, and the second low bidder, Republic Services, are attached. Because this contract is based on unit prices, it is not subject to the Section 3 Policy's requirement for contributing to the PHA's Section 3 Training Fund.

Sufficient funds for this contract are in the current Operating Budget and will be included in the proposed budget for next year.

KY/mlp

Attachments: Bid Tabulations
Employer Information Reports

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Refuse Hauling Services at
McDonough Homes, MN 1-1, AMP 1
Contract No. 14-009

DATE April 24, 2013

Staff requests Board approval to award a two-year contract for refuse hauling services for the 580 family units at McDonough Homes to the lowest responsible bidder, Advanced Disposal Services Solid Waste Midwest, LLC of St Paul, MN for a bid amount of \$6,391.60 per month, or approximately \$2.54 per unit per week. The price includes 90-gallon plastic trash containers on wheels provided by the contractor. The present contract amount is \$3.15 per weekly dwelling unit pick-up.

As stated in the bid documents, the low bid was determined by summing the four contract bid items. Using that method Advanced Disposal's bid was \$6,391.60 and the second low bid, from Republic Services of Minnesota, was \$8,380.99. A copy of the bid tabulation dated April 15, 2013 is attached.

Staff anticipates that approximately \$76,699.20 will be spent during each year of the contract. Employer Information Reports for Advanced Disposal, and the second low bidder, Republic Services, are attached. Because this contract is based on unit prices, it is not subject to the Section 3 Policy's requirement for contributing to the PHA's Section 3 Training Fund.

Sufficient funds for this contract are in the current Operating Budget and will be included in the proposed budget for next year.

KY/mlp

Attachments: Bid Tabulations
Employer Information Reports

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Renew Blue Cross/Blue
Shield Medical and Delta Dental
Insurance Policies

DATE April 24, 2013

Staff recommends Board approval to renew the contract with Blue Cross/Blue Shield of Minnesota (BCBS) for the Agency's medical insurance policy and Delta Dental for the Agency's dental insurance policy, effective July 1, 2013 to June 30, 2014. Staff also requests Board approval of the medical insurance premium costs of the Basic, Standard, and Premium options plus two new options called "Revised Basic Plan" and "High Deductible Plan." The sharing of premium costs between the Agency and the three employee groups (AFSCME, Supervisory and Confidential employees and Local 132, Construction General Laborers) is currently being discussed with each group and, in the case of AFSCME and Local 132, is part of union contract negotiations which are being conducted now. Staff will bring recommendations regarding any increase in the PHA's contribution amount to the Board for approval after reaching tentative agreements with each group.

The premium costs proposed by BCBS for medical insurance increased by 12.0% and the premiums for dental insurance would remain unchanged from last year. Staff is recommending that the Agency's medical insurance plan include the three previous levels of coverage (Basic, Standard, and Premium) plus two new levels (Revised Basic and High Deductible). Both the medical and dental insurance plans include in-network and out-of-network coverage.

BCBS has agreed to allow the Agency to offer all five options with the provision that each option must have ten or more employees enrolled. If any option fails to have at least ten enrollees, the option will be dropped by BCBS.

MEDICAL INSURANCE

In Spring 2011 the Agency issued a Request for Proposals (RFP) for medical insurance and chose Blue Cross/Blue Shield, in part because of the three-year rate cap guarantees in their proposal. In the first year there was no increase in rates. Last year (the second year) the premium increased 7.2%. The original BCBS 2011 proposal included a 16% rate cap for this third year. Initially BCBS quoted a 16% premium increase but they were persuaded by our benefits consultant to reduce the premium increase for this third year to 12%.

Following are the current premium amounts and proposed new rates starting July 1, 2013 for the Basic Plan, Standard Plan and Premium Plan. Also shown are the rates for the two new options of Revised Basic Plan and High Deductible Plan.

Basic Plan	SINGLE	TWO-PARTY	FAMILY
Current Total Premium	\$625.00	\$1,212.00	\$1,623.50
Proposed Total Premium (12% increase)	\$700.00	\$1,357.50	\$1,818.50

Standard Plan	SINGLE	TWO-PARTY	FAMILY
Current Total Premium	\$674.50	\$1,309.00	\$1,754.50
Proposed Total Premium (12% increase)	\$755.50	\$1,466.00	\$1,965.00

Premium Plan	SINGLE	TWO-PARTY	FAMILY
Current Total Premium	\$710.00	\$1,376.50	\$1,845.50
Proposed Total Premium (12% increase)	\$795.00	\$1,541.50	\$2,067.00

Revised Basic Plan	SINGLE	TWO-PARTY	FAMILY
Proposed Premium for Revised Basic Plan	\$663.50	\$1,286.50	\$1,723.50

High Deductible Plan	SINGLE	TWO-PARTY	FAMILY
Proposed Premium for High Deductible Plan	\$613.00	\$1,188.50	\$1,594.00

With various levels of coverage offered, employees can choose the one that best fits their financial and medical insurance needs. The co-payment for doctors' office visits remains at \$20; and the co-payment for prescription drugs remains at 20% of the cost, with a minimum cost to the employee of \$10 and a maximum of \$25.

REVISED BASIC PLAN

This plan is a modification of the Basic Plan already in place, offering a lower premium and higher calendar year deductibles and higher out-of-pocket maximums for the employee. The calendar year deductible for the current Basic Plan is \$200 for single and \$600 for family. Under the Revised Basic Plan the calendar year deductible would be \$500 for single and \$1,500 for family. The medical out-of-pocket maximum under the current Basic Plan is \$1,500 for single and \$3,000 for family. Under the Revised Basic Plan the medical out-of-pocket maximum would be \$2,500 for single and \$5,000 for family. The higher deductible and out-of-pocket maximum amounts under the Revised Basic Plan provide employee premium cost savings of \$438 per year for single coverage, \$852 for single + one coverage, and \$1,140 for family coverage when compared to the cost for the current Basic Plan option.

HIGH DEDUCTIBLE HEALTH PLAN/HEALTH REIMBURSEMENT ACCOUNT

This type of plan has been discussed with the Agency's benefit consultants and the employee medical insurance task force for several years. During this time staff received more information about how these plans work and how they are structured. As a result, employees have become increasingly interested in wanting this plan added as an available selection.

The High Deductible Plan has a lower premium cost and higher deductibles than the other

options. It would be offered in conjunction with a Health Reimbursement Account (HRA) option, also known as a Voluntary Employee Benefits Association (VEBA) account. The employer has the option to make contributions to an employee's HRA/VEBA account that allows the employee to pay for out-of-pocket health care expenses with pre-tax dollars. By saving money on the premium cost and building a balance in the VEBA account, an employee or family can save a considerable amount of money over time if their health care usage is relatively low. The employee will also pay a cost of approximately \$7 per month for the administration of their VEBA account.

DENTAL INSURANCE

The rates for dental insurance effective July 1, 2013 remain unchanged from last year. This is the fifth consecutive year with no increase to the dental insurance premiums. The table below shows the premium amounts.

Employees (30+ hours / week)

	SINGLE	SINGLE + 1	FAMILY
Total Premium	\$39.70	\$79.50	\$104.20

Employees (20 – 29 hours / week)

	SINGLE	SINGLE + 1	FAMILY
Total Premium	\$39.70	\$79.50	\$104.20

The amounts the PHA pays toward employee medical and dental insurance premiums were included in the Operating Budget approved by the Board on March 27, 2013.

With the Board's approval of the recommended contract with Blue Cross/Blue Shield of Minnesota and the new premium costs, an open enrollment period will be offered to employees to provide them the opportunity to choose between the five (Basic Plan, Standard Plan, Premium

Plan, Revised Basic, and High Deductible) medical insurance options. At open enrollment employees will be asked to designate a first preference option and a second preference option. This will be used to place employees whose first option is “dropped” by BCBS if an option has less than ten enrollees.

DMM/ANH