

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Purchase LED Bulbs to Replace
Incandescent Lighting at PHA Family Sites
Contract No. 16-059

DATE August 26, 2015

Staff requests Board approval to award a contract to purchase LED (light-emitting diode) light bulbs from the lowest responsible bidder, Dakota Supply Group of St. Paul, Minnesota, in the base bid amount of \$154,192.50 and a unit price of \$4.45 per bulb for additional bulbs. A copy of the July 13, 2015 bid tabulation is attached.

This contract includes supplying 34,650 LED light bulbs to replace the current incandescent light bulbs in unit interiors at all of the PHA's congregate family housing sites: McDonough Homes, AMP 1; Roosevelt Homes, AMP 4; Mount Airy Homes, AMP 5; Central Duplexes, AMP 7; Dunedin Terrace and the West Side Duplexes, AMP 8. The bulbs will be installed under separate informal contracts that are expected to total less than \$100,000. With this contract the Agency will have removed the majority of incandescent light bulbs used for interior lighting at all PHA housing sites and will have reduced energy usage significantly.

The PHA's cost for the LED bulb purchase and installation will be reduced by 50-60% by rebates after the installation is complete. The rebates are available through the Center for Energy and Environment of Minneapolis, Minnesota in conjunction with Xcel Energy. Xcel Energy estimates that with the rebates, the payback period for the LED bulbs' purchase and installation costs is approximately one year. The new 10.5 watt LED bulbs will replace the current 60 watt

and 100 watt bulbs, resulting in energy savings of approximately 80-90% for each bulb. In addition, LED bulbs have an estimated life expectancy that is about eight times longer than incandescent bulbs (25,000 hours vs. 3,000-3,500 hours). Since residents of family public housing pay their own electricity bills, the immediate savings of lower consumption will accrue to them. However, utility allowances will be adjusted accordingly in the future, and then the PHA will realize corresponding increases in rent revenues.

Dakota Supply Group has not worked for the PHA in the past so staff requested references, who confirmed the contractor's ability to supply the large quantity of bulbs in this contract at the bid prices. Dakota Supply Group will be supplying products of a nationally-known manufacturer (GE) which meet all of the PHA's criteria. The LED lamps will be warranted through GE and Dakota Supply Group for a period of five years after installation.

Section 3 does not apply to this contract as it is a material supply contract. Dakota Supply Group does not meet the requirements for a minority-owned, woman-owned or disabled-owned business (MWDBE). Being a supplier only, they are not able to subcontract out a portion of the work.

The bid amount is approximately 19% lower than staff's estimate. There are sufficient funds available in the Capital Fund Budget for this contract and the installation contracts.

MIS/vmh

Attachments – Bid Tabulation, Equal Opportunity Forms

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Design and Consulting Services for
Plumbing System Replacement At
Ravoux Hi-Rise; AMP 7
Contract No. 16-064

DATE August 26, 2015

Staff requests Board approval to enter into a contract with Stanley Consultants Inc., Minneapolis, Minnesota, for an amount not to exceed \$150,600 for engineering services to replace the plumbing systems at Ravoux Hi-Rise. Under the agreement the work would proceed in three phases, with three options for the third phase, as explained below.

Phase I – Study and design development. The consultant will complete investigative work, develop a preliminary scope of work and design, a cost estimate, and revise them as needed for PHA approval. Stanley Consultants' fee for this phase of the work will not exceed \$10,800.

Phase II – Prototype construction documents, bidding, award and construction administration. The consultant will develop specifications and drawings for bidding work on a prototype contract to replace two vertical plumbing risers and will assist the PHA throughout the bidding, contract award and construction process. Stanley Consultants' fee for this phase of work will not exceed \$29,000.

Phase III - Proposed Options to complete all remaining plumbing replacement work at Ravoux Hi Rise, depending on funding availability:

Option 1 - The consultant will provide design development, produce construction documents, assist in bidding, award and provide construction administration services (post prototype) for a single construction contract on all remaining plumbing replacement work to be completed within 12-18 months.

This option will be used if the PHA secures funding to allow completion of the entire post prototype work under a single construction contract.

Stanley Consultants' fee for this phase of work will not exceed \$52,600.
Total Consultant fee if this option is selected will be \$92,400.

Option 2 – The Consultant will develop designs, produce construction documents, assist in bidding and contract award and provide construction administration services (post prototype) for a single construction contract on all remaining plumbing replacement work to be completed within 36-40 months.

This option will be used if the PHA has to spread the work out to match the receipt of annual HUD Capital Fund Program funding and HUD approves the use of a single 36 to 40 month construction contract.

Stanley Consultants' fee for this phase of work will not exceed \$58,100.
Total Consultant fee if this option is selected will be \$97,900.

Option 3 - Construction documents, bidding, award and construction administration (post prototype) for five (5) consecutive construction contracts for all remaining plumbing replacement work to be completed within 48 to 60 months.

This option will be used if the PHA has to spread the work out to match the amounts of HUD Capital Fund Program funding and HUD does not approve the use of a single 36- to 40-month construction contract.

Stanley Consultants' fee for this phase of work will not exceed \$110,800.00.
Total Consultant fee if this option is selected will be \$150,600.

Five consulting firms submitted proposals. A staff committee evaluated the proposals on the basis of: 1) related experience, 2) technical competence, 3) MBE/WBE status of other affirmative action efforts, 4) Section 3 action plan, and 5) cost. Stanley Consultants' written proposal received the highest score. A summary of the proposal scores is attached.

Staff believes Stanley Consultants' proposed fees are reasonable and they compare favorably with the fees proposed by the other firms. Funding for this consultant contract and for the prototype plumbing replacement costs will come from the FFY 2015 Capital Fund Program grant. Funding for the balance of the Ravoux Hi-Rise plumbing replacement construction costs will come from either a 2015 Minnesota Housing Finance Agency Loan or future Capital Fund Program grants.

Stanley Consultants have previously provided satisfactory consulting services for the PHA. A copy of the Equal Employment Opportunity Employer Information Reports for Stanley Consultants and the second highest rated firm, Dunham Engineering, are attached. Stanley Consultants has included an architectural firm that is a women-owned business (WBE) in their team. Stanley Consultants will meet PHA Section 3 requirements by contributing 2.5% of the contract amount to the PHA Section 3 training fund.

DAL

Attachments: Proposal Evaluation Summary
EEO-1 Forms

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Consulting Services for
Plumbing System Evaluations
At PHA Hi Rises,
AMPs 2, 3, 5, 6, 7, & 8
Contract No. 16-065

DATE August 26, 2015

Staff requests Board approval to enter into a contract with Stanley Consultants Inc., Minneapolis, Minnesota, for an amount not to exceed \$51,100, for engineering services to evaluate the plumbing systems at all of the hi- rises except Ravoux, where the analysis has already been performed. The fifteen buildings are Front, Hamline, Seal, Iowa, Wilson, Edgerton, Mt. Airy, Valley, Wabasha, Exchange, Central, Neill, Dunedin, Cleveland, and Montreal Hi Rises. The engineering consultant will provide a report on each building's plumbing system, including a prioritized list of all components, their estimated remaining useful life, and the projected costs of repairs or replacements that will be needed during the upcoming five to fifteen years. Staff will rely on this information for preparing future budgets.

Three consulting firms submitted proposals in response to the PHA's Request for Proposals. A staff committee evaluated the proposals on the basis of: 1) previous experience on similar projects, 2) quality of proposed plumbing system evaluations, 3) quality of response to the RFP and professional and technical competence, 4) MBE/WBE/DBE and Section 3 status or other affirmative action efforts, and 5) cost. Stanley Consultants' written proposal received the highest score. A summary of the proposal scores is attached.

Staff believes Stanley Consultants' proposed fees are reasonable and they compare favorably with the fees proposed by the other firms. Funding for identified construction costs will come from future HUD Capital Fund Program grants.

Stanley Consultants have previously provided satisfactory consulting services for the PHA. A copy of the Equal Employment Opportunity Employer Information Reports for Stanley Consultants and the second highest rated firm, Dunham Engineering, are attached. Stanley Consultants will meet PHA Section 3 requirements by contributing 2.5% of the contract amount to the PHA Section 3 training fund.

DAL

Attachments: Proposal Evaluation Summary
EEO-1 Forms

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Tree Trimming and Removal
At Various PHA Sites
All AMPs, Contract No. 16-070

DATE August 26, 2015

Staff requests Board approval to award a two-year contract for tree trimming and removal services at all PHA sites to the lowest responsible bidder, A-1 Walsh, of St. Paul, Minnesota for the bid amounts of \$18.97 to \$46.76 per diameter inch for tree removal (based on tree size) and \$165.39 per hour for tree trimming. The present contract amount is \$35.00 to \$115.00 per diameter inch for tree removal and \$195.00 per hour for tree trimming.

As stated in the bid documents, the low bid was determined by multiplying the five bid items by a factor based on use of each item and adding the totals to arrive at a final bid price. Using that method A-1 Walsh's bid was \$107,948.10 and the second low bid, from S and S Tree Specialists, was \$158,570.00. A copy of the bid tabulation and calculations is attached.

A-1 Walsh has performed satisfactorily on previous PHA contracts. Staff anticipates that approximately \$110,000 will be spent over the duration of this two-year contract, based on previous amounts of work done. Employer Information Reports for A-1 Walsh, and the second low bidder, S and S Tree Services, are attached. A-1 Walsh is a Section 3 business.

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

MIS/vmh

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 Audit Report for FY 2015;
Financial and Compliance Reports
For the Fiscal Year Ending March 31, 2015

DATE August 26, 2015

Staff recommends that the Board receive and file the Comprehensive Annual Financial Report of the Agency's operations in Fiscal Year 2015, as completed by Baker, Tilly, Virchow & Krause, LLP. Kim Schult from Baker Tilly will explain the audit report at the Board meeting. There are no adverse "findings" in the audit.

This audit report reflects the GAAP (Generally Accepted Accounting Principles) method of reporting, as required by HUD. Following GAAP makes public housing financial statements consistent with those of other governmental entities and similar to private business and corporate financial reports. This allows HUD and other entities to use standard financial ratios to judge the fiscal soundness of a housing agency. These ratios are the basis for the PHA's score on the PHAS (Public Housing Assessment System) Financial Condition indicator and measure the "quick ratio," "months expendable net asset ratio" and "debt service coverage".

HUD's Real Estate Assessment Center (REAC) has reviewed and approved the Agency's unaudited Financial Data Schedule for the fiscal year ending March 31, 2015. Staff, with auditor concurrence, will submit the audited version of the Financial Data Schedule next month.

HUD/REAC will issue a final score for the PHAS Financial Condition indicator based on the audited report, perhaps several months from now.

RPM

Attachments

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Capital Fund Program:
2012, 2013, 2014 and 2015
Budget Revisions

DATE August 26, 2015

Staff requests Board approval of Resolution No. 15-08/26-01 approving revisions to the budgets for the four open Capital Fund Program (CFP) grants, awarded in 2012-2015. The revised budgets adjust line items to match actual obligations and expenditures but do not change the total amount of the grants, which are shown below. The budget revisions include contract awards recommended for approval at this Board meeting.

As shown below, staff continues to obligate the CFP grants promptly. As of March 31, 2015 the 2012 CFP grant was 100% obligated. As of August 20, 2015 the 2013 CFP grant is 96.49% obligated, the 2014 CFP grant is 91.09% obligated and the 2015 CFP grant will be 48.74% obligated (including contract awards recommended for approval at this Board meeting). The 2012 CFP grant is fully expended and the final budget revision will be submitted to HUD with the Actual Modernization Cost Certificate to close out the grant.

The table below shows the CFP grant amounts, the dates when the PHA gained access to the funds (when HUD signed the ACC amendments), and the timelines for expenditure. The PHA routinely meets or exceeds all of HUD's goals for timely obligation of CFP grant funds (90% obligated within 24 months), and expenditure (fully expended within 48 months).

REPORT TO COMMISSIONERS – AUGUST 26, 2015
BUDGET REVISIONS: CFP GRANT BUDGETS
PAGE 2 OF 2

	2012 CFP Funds	2013 CFP Funds	2014 CFP Funds	2015 CFP Funds
Grant Amount	\$5,962,239	\$6,024,889	\$6,725,092	\$6,786,832
ACC Date	3/12/12	9/9/13	5/13/14	4/13/15
Percent Obligated	100.00% (2/13/15) Met 90% goal by 3/11/14	96.49% (8/20/15) Met 90% goal by 9/8/15	91.09% (8/20/15) Met 90% goal by 5/12/16	48.74% (8/20/15) Goal: 90% by 4/12/17
Percent Expended	100.00% (8/26/15) Goal: 100% by 3/11/16	89.06% (8/20/15) Goal: 100% by 9/8/17	61.02% (8/20/15) Goal: 100% by 5/12/18	2.00% (8/20/15) Goal: 100% by 4/12/19

Summary spreadsheets of these budgets are attached for Board review.

DAL/mlp

Attachments: Resolution No. 15-08/26-01
 Summary Spreadsheets of CFP Grant Budgets

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

RESOLUTION NO. 15-08/26-01

REVISIONS FOR 2012, 2013, 2014 & 2015 CAPITAL FUND PROGRAM BUDGETS.

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) has awarded the Public Housing Agency of the City of Saint Paul (PHA) the following grants:

- FFY2012 Capital Grant Program Grant No. MN46P00150112
- FFY2013 Capital Grant Program Grant No. MN46P00150113
- FFY2014 Capital Grant Program Grant No. MN46P00150114
- FFY2015 Capital Fund Program Grant No. MN46P00150115; and

WHEREAS, HUD requires the PHA to establish a budget for the expenditure of funds under each grant provided under the Capital Fund Program; and

WHEREAS, staff drafted the attached Capital Fund Program budget revisions, dated August 12, 2015 for each of the grants listed above; and

WHEREAS, the Board of Commissioners finds that these CFP grant budget revisions are necessary and appropriate to comply with HUD requirements and to best serve the needs of PHA residents;

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Public Housing Agency of the City of Saint Paul as follows:

1. The following budgets are approved as presented:
 - a. August 12, 2015 Budget Revision for the FFY2012 Capital Grant Program Grant No. MN46P00150112;
 - b. August 12, 2015 Budget Revision for the FFY2013 Capital Grant Program Grant No. MN46P00150113;
 - c. August 12, 2015 Budget Revision for the FFY2014 Capital Grant Program Grant No. MN46P00150114;
 - d. August 12, 2015 Budget Revision for the FFY2015 Capital Grant Program Grant No. MN46P00150115;
2. Staff is authorized to execute and submit all required documents relating to these grants and budget revisions; and
3. The Agency Plan will be amended accordingly.
4. Pursuant to HUD notice dated January 11, 1990, the PHA certifies that no employee is serving in a variety of positions that will exceed 100 percent of his or her work time.

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Congregate Housing Services
Program (CHSP); Grant Renewal
Request and Budget; Program Year
October 2015 – September 2016

DATE August 26, 2015

Staff requests Board approval (resolution not required) for the Congregate Housing Services Program (CHSP) grant request in the amount of \$822,996. The grant would provide HUD funding to support the five CHSP sites for a one-year period from October 2015 through September 2016. The total CHSP budget for the program year is \$2,081,300 including the HUD subsidy, participant fees, required local matching funds and in-kind contributions.

CHSP is licensed by the State as a home management program that combines affordable housing with services that help participants live independently and avoid unnecessary nursing home, group home or other placement. The PHA's contracts with HUD authorize up to 166 CHSP participants, but the budget actually supports approximately 125 participants (average enrollment). The PHA sets an enrollment target for each of the five CHSP sites, and actual enrollment may be higher or lower during a month. All program participants have disabilities, are elderly and/or are in frail condition, so turnover can occur each month. CHSP and Rental Office staff continue marketing the program to maintain enrollment. At the end of July 2015 there were 132 clients enrolled in the program, and another six clients were served on a temporary basis during the month.

CHSP provides case coordination, housekeeping, daily meals and monitoring plus other needed services to prevent institutionalization of frail elderly persons and persons with disabilities. Up to two meals are served daily, 365 days per year. Both meals are catered by Presbyterian Homes and Services, Optage Senior Dining Choices. The noon meal is provided to eligible CHSP participants under Title III of the Older Americans Act, and the evening meal is provided through the CHSP program. The current CHSP contract with Presbyterian Homes and Services runs through December 31, 2015. Staff expects to recommend Board approval to renew the contract prior to that date.

The five CHSP sites covered by this grant are as follows:

SITE	TARGET ENROLLMENT	7/31/2015 ENROLLMENT	JULY 2015 NUMBER SERVED (incl. Temps)
Ravoux	30	33	34
Valley	15	13	14
Edgerton	30	34	35
Iowa	20	25	25
Montreal	30	27	30
TOTAL	125	132	138

The CHSP grant renewal is required annually and serves two purposes:

1. It establishes a new budget level that includes a request for more HUD subsidy than the previous budget (\$822,996 for the upcoming year, with the allowed 1.7% increase over the current year's grant of \$809,239); and
2. It formally requests a one-year extension of the grant period, until September 30, 2016.

The proposed budget (Attachment 2) shows total expenditures of \$2,081,300. The budget is balanced, with proposed revenues meeting anticipated expenditures.

Congress earmarks funds in each HUD appropriation act to continue funding existing CHSP programs from year to year. Typically HUD has approved one-year grant renewals with a modest increase above the funding level from the previous year (historically in the 2.0% range). This year HUD did not publish official procedures for the grant renewal, but HUD staff said grantees should follow the 2013 grant extension procedures and include a 1.7% increase above the amounts awarded in 2014. There is no guarantee of long term CHSP funding, despite the program's success in providing needed services at reasonable costs since 1982.

As of March 31, 2015, the PHA has \$157,631 in reserves from payments received from the Wilder Foundation on behalf of participants in Wilder's Assisted Living Program. The proposed budget requires \$14,934 supplemental income from this reserve account. This account grows at approximately \$1,200 per month or \$14,400 per year.

AJH

Attachments: Attachment 1 – HUD CHSP Budget Formula
Attachment 2 – CHSP Summary Budget (Grant Renewals FY 2016)
CHSP Enrollment History

HUD CHSP Budget Formula

Minimum fee contribution	10% of total budget
Maximum in-kind	10% of total match
Maximum administrative match	10% of total budget
Minimum local match	50% of total budget
Maximum HUD contribution	40% of total budget

Participants may not be charged more than the actual cost of the services, which now averages approximately \$725 per month per participant (salaries, benefits, food, excluding matching and in-kind contributions).

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Employee Recognition

DATE August 26, 2015

Staff requests Board approval to award PHA employees a special one-half day off in recognition of the Agency's continued success on a national level and the hard work and accomplishments of over 230 dedicated staff members. If the Board approves this recommendation, a certificate for this time off will be given to employees at the annual recognition breakfast, which is scheduled for October 9, 2015.

The half-day off will be provided to all staff who were regular PHA employees and temporary employees who were eligible for benefits as of October 1, 2015. The time off must be used by December 31, 2015 and must be taken on a single day. Regular part-time employees will be extended this recognition on a pro-rated basis. Use of the recognition time off will be subject to the same approvals as other vacation days and floating holidays, to allow supervisors to plan staffing and workloads.

MLM

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

**FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR**

REGARDING Zoning; Petition for Non-Conforming
Use Permit; 1638 Marshall Avenue;
Near PHA Scattered Site Property

DATE August 26, 2015

Staff requests Board approval for the Executive Director to sign a petition related to a request for a “non-conforming use permit” for a fourplex rental property at 1638 Marshall Avenue, which is across the street from a PHA scattered site property (near Snelling Avenue). Copies of the petition, map and related documents are attached. As in similar past cases the Board has approved, the PHA’s signature would be qualified with the statement, “The PHA neither supports nor opposes this request to continue the non-conforming use.”

As explained in the attached letter, the owner of the Marshall Avenue property intends to renovate the interior and exterior of the building and continue its current use. Since the neighborhood is zoned “RT-1” (single family residential) the fourplex was granted a “non-conforming use” permit years ago. To continue the non-conforming use, the City requires the property owner to get signatures of owners of two-thirds of the properties within a 100 foot radius.

The Agency’s practice has been to authorize execution of all petitions like this so the request can be presented to the Planning Commission, Zoning Board and City Council for their consideration of the merits of the proposal.

FAH

Attachments: Letter, Map, Site Plan, Petition