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OFFICE OF THE CITY CLERK
OAKLAND

CITY OF OAKLAND AND
REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND
COUNCIL AND AGENCY AGENDA REPORT

TO: Office of the City Manager and Agency Administrator
ATTN: Deborah Edgerly
FROM: *Community and Economic Development Agency*
DATE: April 27, 2004

RE: **A RESOLUTION AUTHORIZING INCREASES IN CONTRACTS TO PROVIDE CONSTRUCTION MONITORING SERVICES FOR AFFORDABLE HOUSING PROJECTS WITH ADVANCED RESOURCES IN CONSTRUCTION SERVICES LTD. IN AN AMOUNT NOT TO EXCEED \$38,420 AND DON TODD ASSOCIATES IN AN AMOUNT NOT TO EXCEED \$38,420 FROM REALLOCATED FUNDS**

SUMMARY

The Redevelopment Agency authorized the execution of three contracts, in the amount not to exceed \$100,000 each, to provide construction monitoring services for City/Agency funded affordable housing projects. The three contracts with Don Todd Associates, Advanced Resources for Construction Services, LTD. (Advanced Resources) and Acumen Building Enterprise were executed in March 2001.

The Agency has assessed the quality of service each contractor provided and extended contracts with Don Todd Associates and Advanced Resources for another three years though 2007. A contract with Acumen Building Enterprise was not extended, and there is a remaining balance of \$76,840 under the contract.

Currently, a total of \$36,983 is available for monitoring of new projects under the contracts with Don Todd Associates and Advanced Resources, which is sufficient to monitor only two new projects. The City Council and Redevelopment Agency have authorized funding for seven new affordable housing projects in February and April 2004. In order to monitor these upcoming affordable housing projects, the unused portion of the Acumen contract, in the amount of \$76,840, needs to be made available for the two contractors. A Resolution has been prepared to reallocate these funds to the two contractors in the amount not to exceed \$38,420 each.

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FISCAL IMPACT

In December 2000, the Redevelopment Agency approved three contracts in the amount of \$100,000 each, a total of \$300,000, to be funded from Affordable Housing Bond proceeds. The funds are in the Affordable Housing Set-Aside Bond account (9583, 88929, 54930, P151320).

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Initially, each contractor received \$100,000 for their contract. Since the contract with Acumen Building Enterprise was not extended, there are unused funds in the amount of \$76,840. This report recommends reallocating the remaining funds to the two continuing monitors, Don Todd Associates and Advanced Resources. No additional appropriation of funds is required.

BACKGROUND

The Redevelopment Agency adopted Resolution No. 00-64 C.M.S., which authorized an expenditure of \$300,000 and the execution of professional services agreements with three local firms, Acumen Building Enterprise, Advanced Resources in Construction Services LTD. (Advanced Resources), and Don Todd Associates, which were selected from the responses from Request for Proposals (RFP) issued in July 2000 to provide construction monitoring services for affordable housing units funded by the City/Agency. Each contractor received up to \$100,000.

The contracts were executed in March 2001 for a term of up to 36 months to accommodate monitoring of affordable housing projects starting within 24 months. Three contracts expired as of January 15, 2004. At this point, Advanced Resources had completed monitoring of two senior projects (Sylvester Rutledge Manor and Bishop Nichols Senior Housing, 82 units total) and was monitoring two active projects (Palm Villas - 78 ownership units, Oak Street Terrace - 39 family rental units). Don Todd Associates had completed two projects (Adeline Street Lofts - 38 family rental units, Chestnut Court - 15 ownership units) and was monitoring two rental projects (Oak Park Apartments - 34 units, Eastmont Court - 19 rental units). Acumen Building Enterprise had completed one project (Northgate Apartments - 42 family rental units). Don Todd Associates and Advanced Resources had provided quality monitoring service for the City/Agency funded projects and their contracts were extended for another 36 months by the Agency Administrator. On the other hand, monitoring service provided by Acumen Building Services was not as satisfactory and therefore, their contract was not extended.

The unused contract balance as of March 2004 is \$22,031 for Advanced Resources, \$53,422 for Don Todd Associates and \$76,840 for Acumen Building Enterprise. Details of the contract balance are attached to this report (Attachment A).

KEY ISSUES AND IMPACTS

The City Council and Redevelopment Agency approved funding in the amount of \$14M for seven new affordable housing projects (270 total units) in February and April 2004. It is anticipated that these projects will be starting construction in the next two years and will require construction monitoring by the City/Agency to ensure production of quality affordable housing units in timely and efficient manner. Existing contracts with Don Todd Associates and Advanced Resources have a total remaining balance of \$75,453. Subtracting the already committed funds for on-going projects, there is only \$36,983 available for new projects.

Considering that per project cost ranges between \$15,000 and \$30,000, these two contractors can take on only two more projects.

At an average cost of \$20,000 per project, staff expects to need \$120,000 in order to monitor projects that are already approved for funding. By reallocating remaining funds from Acumen Building Enterprise in the amount of \$76,840 to Don Todd Associates and Advanced Resources, total funds available for new monitoring projects will be \$113,823, sufficient to cover monitoring of projects approved by the City/Agency this year.

PROGRAM DESCRIPTION

The purpose of providing construction monitors for City/Agency funded affordable housing projects is to ensure the quality of those project units and to complete the projects within budget and in a timely manner. Monitors inform City/Agency staff of issues and progress of construction, advise on different issues that come up during construction and help staff understand technical aspects of construction management. Each contractor monitors projects from the time that construction drawings are complete through the end of construction. Such projects include new construction and rehabilitation projects, both ownership and rental units.

The services that are included in the construction monitoring are:

- Monitor construction through periodic site visits and payment application reviews;
- Review any change orders submitted by the project sponsors; and
- Review construction plans and specifications, detailed trade cost breakdowns, and construction contracts.

Contractors are required to attend construction meetings and submit monthly reports to the Agency. A more detailed Scope of Services is attached. (Attachment B)

SUSTAINABLE OPPORTUNITIES

All the affordable housing projects that have been awarded funding from the City/Agency through NOFA process since 2003 will be at least 15 % more energy efficient than the Title 24 energy code. In addition, sustainable development guidelines were included in this year's NOFA and developers submitted Sustainability Statements outlining the economic, environmental, and social equity benefits of their projects as part of the NOFA application. Construction monitoring services will ensure that the affordable housing units are built in accordance with the design and plans approved by the City/Agency. All the energy efficiency features and other green building techniques included in the plans will be monitored by the contractors.

The City/Agency assisted affordable housing projects are built on vacant or underutilized sites in already built-up areas. These projects contribute to reducing blight in the community and the pressure to build on agricultural and other undeveloped land. In addition, they contribute to achieving greater social equity by providing affordable rental and ownership housing for low- and very-low, senior citizens and families. By assisting the development of these units, construction monitoring services contribute to providing sustainable opportunities in Oakland.

DISABILITY AND SENIOR CITIZEN ACCESS

Affordable housing projects approved by the City/Agency in the past few years include several targeted for seniors and persons with disabilities. In addition, all housing development projects receiving federal funds are required to construct and set aside units to be occupied by persons with disabilities (Federal Section 504 regulation). This means that at least 5 percent of newly constructed units will be available to persons with disabilities. The State's Title 24 and the Americans with Disabilities Act require consideration of persons with disabilities in design and construction of housing. In all rental units and some ownership housing types, those requirements include accessible units and facilities. Contractors will monitor such design features included in the plans to accommodate seniors and persons with disabilities.

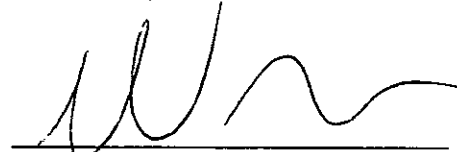
RECOMMENDATION(S) AND RATIONALE

It is recommended that the Redevelopment Agency adopt the resolution which authorizes the reallocation of unused \$76,840 to Advanced Resources in Construction Services, LTD. and Don Todd Associates for monitoring new projects approved for funding this year. Current contracts with Don Todd Associates and Advanced Resources have \$36,983 available for new projects, which is sufficient to cover two new projects. In order to monitor seven additional new projects already approved for funding, the remaining funds for Acumen Building Enterprise in the amount of \$76,840 need to be made available to Don Todd Associates and Advanced Resources. Each contractor should receive \$38,420 each.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the Redevelopment Agency approve the resolution authorizing increases in contracts to provide construction monitoring services for Affordable Housing Projects with Advanced Resources in Construction Services, LTD and Don Todd Associates in an amount not to exceed \$38,420 each from reallocated funds.

Respectfully submitted,



DANIEL VANDERPRIEM
Director of Redevelopment, Economic
Development and Housing

Prepared by:
Roy L. Schweyer, Director
Housing & Community Development


Eri Kameyama, Coordinator
Housing Development

APPROVED AND FORWARDED TO THE
THE COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE:


OFFICE OF THE CITY MANAGER AND
AGENCY ADMINISTRATOR

Attachment A: Balance of Construction Monitoring Contracts
Attachment B: Detailed Scope of Work

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Attachment A
Balance of Construction Monitoring Contracts

	Beginning Balance*	Expenditures to Date	Current Balance**
Total	\$ 300,000	\$ 147,707	\$ 152,293
Advanced Resources	\$ 100,000	\$ 77,969	\$ 22,031
<i>Palm Villas</i>	<i>\$ 15,500</i>	<i>\$ 46,219</i>	<i>\$ (30,719)</i>
<i>NOSH/Downs</i>	<i>\$ 25,000</i>	<i>\$ 25,000</i>	<i>\$ -</i>
<i>Oak Street Terrace</i>	<i>\$ 12,500</i>	<i>\$ 3,750</i>	<i>\$ 8,750</i>
<i>Contract Compliance Fee</i>	<i>\$ 3,000</i>	<i>\$ 3,000</i>	
Don Todd Associates	\$ 100,000	\$ 46,578	\$ 53,422
<i>Adeline Street Lofts</i>	<i>\$ 17,600</i>	<i>\$ 10,996</i>	<i>\$ -</i>
<i>Chestnut</i>	<i>\$ 17,800</i>	<i>\$ 14,883</i>	<i>\$ 2,918</i>
<i>Oak Park Apts</i>	<i>\$ 28,380</i>	<i>\$ 17,700</i>	<i>\$ 10,680</i>
<i>Eastmont Court</i>	<i>\$ 20,420</i>	<i>\$ 1,380</i>	<i>\$ 19,040</i>
<i>Contract Compliance Fee</i>	<i>\$ 3,000</i>	<i>\$ 3,000</i>	
Acumen Building Enterprise	\$ 100,000	\$ 23,160	\$ 76,840
<i>Northgate Apts</i>	<i>\$ 18,690</i>	<i>\$ 20,160</i>	<i>\$ (1,470)</i>
<i>Contract Compliance Fee</i>	<i>\$ 3,000</i>	<i>\$ 3,000</i>	

Active Project

* For individual projects, figures are from executed Project Scope Agreements

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Attachment B Detailed Scope of Work

The services to be performed by Contractor shall consist of services requested by a designated representative of the Agency, including (but not limited to) the following:

1. Contractor shall monitor the disbursement of the direct costs of construction funds for loans to project sponsors ("Borrowers") administered by CEDA for projects that increase, improve or preserve the City of Oakland's supply of low and moderate income housing. The projects are hereinafter collectively known as "Projects".

Contractor shall:

- A. Make periodic site visits. Contractor will conduct two monthly site visits for each Project. In the event that more than two (2) site visits per Project per month is required, prior authorization shall be obtained from the Agency in writing. Contractor will also provide the following written reports and information.
 - i. Review, determine and confirm that the progress of construction has been completed in a good, workmanlike and satisfactory manner as well as in substantial accordance with the construction plans and specifications and in reasonable compliance with the Borrowers' updated progress charts and Construction Schedules as submitted.
 - ii. Provide 35mm photographs of the Projects taken on each site visit.
 - iii. Review the construction contractors' monthly Applications for Payment for conformance with percentage of completion.
 - B. Review any change orders submitted to CEDA by the Borrowers, and provide CEDA with recommendations as to whether such change orders and the costs thereof are reasonable.
2. Contractor shall perform other duties related to the construction monitoring of Projects including, (but not limited to):
 - A. Review of
 - construction plans and specifications,
 - detailed trade cost breakdowns, and
 - construction contracts for Projects,

as requested by CEDA staff.

This review shall be summarized in an initial report containing the following information:

- i. A brief narrative and statistical description of the project (e.g. gross and net areas, number of units, etc.).
 - ii. Contractor's opinions, comments, and recommendations regarding all expert documents relevant to the construction of the Projects, including (but not limited to) soils reports, and architectural, structural, mechanical, electrical, and plumbing plans and specifications; which review shall seek to examine the overall completeness, internal consistency, and constructability of the documents and use of specified materials and systems that:
 - a. might present ambiguities for potential bidders;
 - b. might contravene accepted good practices of construction;
 - c. might create delays in carrying out the intended scope of the contract documents;
 - d. would be contrary to the best interest of the Borrower and the intended use of the Project, including interfacing with existing facilities.
 - iii. For those Projects requiring such, review of the adequacy of existing utilities and their presence in relation to the property, and their adequacy to service the entire Project, shall be reviewed by local utility companies and approved by the Agency.
 - iv. Review of the Project construction schedule, including the completion date and estimated construction period.
 - v. Contractor's opinion regarding the adequacy of the Borrower's cost breakdowns, cost allowances and the proposed contingency reserve.
 - vi. Review of the consistency of the Borrower's costs with the costs and construction contracts which are submitted to the Agency.
- B. Additional construction monitoring site visits beyond the number set forth hereinbefore, with the prior approval of the Agency.

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APPROVED AS TO FORM AND LEGALITY:

[Signature]
Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

A RESOLUTION AUTHORIZING INCREASES IN CONTRACTS TO PROVIDE CONSTRUCTION MONITORING SERVICES FOR AFFORDABLE HOUSING PROJECTS WITH ADVANCED RESOURCES IN CONSTRUCTION SERVICES LTD. IN AN AMOUNT NOT TO EXCEED \$38,420 AND DON TODD ASSOCIATES IN AN AMOUNT NOT TO EXCEED \$38,420 FROM REALLOCATED FUNDS

WHEREAS, on December 5, 2000, Redevelopment Agency Resolution No. 00-64 C.M.S. authorized the Agency Administrator to enter into professional services agreements for construction monitoring services on affordable housing projects with three construction monitors in an amount not to exceed \$100,000 each for an aggregate amount of \$300,000; and

WHEREAS, contract funds in the amount of \$300,000 were allocated from the Redevelopment Agency Affordable Housing Bond: Fund 9583, Organization 88929, Acct 58312, Project P151710; and

WHEREAS, three professional services contracts with Acumen Building Enterprise, Advanced Resources in Construction Services LTD., and Don Todd Associates were executed in March 2001, which expired as of January 15, 2004; and

WHEREAS, contract terms for Advanced Resources in Construction Services LTD. and Don Todd Associates were extended for another 36 months to expire on January 15, 2007; and

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WHEREAS, unused funds from the expired contract with Acumen Building Enterprise in the amount of \$76,840 are available for new construction monitoring projects; now, therefore, be it

RESOLVED: That the Redevelopment Agency hereby authorizes the Agency Administrator or her designee to negotiate and enter into amendments to contracts with Advanced Resources in Construction Services, LTD. and Don Todd Associates for construction monitoring of new affordable housing projects to increase the contract amount in the amount of \$38,420 in the case of Advanced Resources in Construction Services, LTD. and \$38,420 in the case of Don Todd Associates; and be it further

RESOLVED: That \$76,840 in funds for these contract amendments are available from the balance of initially allocated \$300,000: Fund 9583 Organization 88929, Acct 54930, Project P151320.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2004

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN, AND CHAIRPERSON DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

CEDA FLOYD

Secretary of the Redevelopment Agency
of the City of Oakland

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