



February 27, 2019

Agenda Item 2

REPORT TO THE COMMISSIONERS

FROM: Gregory P. Russ, Executive Director / CEO

SUBJECT: Building Modernization at 1611 South Sixth Street

Previous Directives: The Board has previously approved the Capital Fund Program (CFP) Plan for FY 2019 as part of the Agency's 2019 Moving to Work (MTW) Annual Plan.

Resident Council Review/Recommendation: This Report will be discussed with the Resident Advisory Board (RAB) immediately prior to the Board's February 27, 2019 meeting.

Budget Impact: MPHA applied for and was awarded through MHFA's Publicly Owned Housing Program (POHP) a \$1,811,519 deferred loan which will provide funding to cover some of the costs of this work. MPHA has opted for an end loan which is executed after construction is complete. All project costs will initially be charged to the Capital Fund Program.

Affirmative Action Compliance: The contractor has signed an Equal Employment Opportunity / Affirmative Action Policy statement. Additionally, the contractor intends to utilize seven certified W/MBE and Section 3 subcontractors for portions of the work. MPHA will monitor compliance.

Procurement Review: This Report has been reviewed and approved by the Agency's Contracting Officer.

RECOMMENDATION: It is recommended that the Board of Commissioners authorize the Executive Director or his designee to execute a contract and all related documents in the amount of \$3,599,900 with Hamline Construction for building modernization at 1611 South Sixth Street.

Located within the Cedars Complex, 1611 South Sixth Street is a 116-unit high-rise built in 1963. Like other MPHA properties of this age and construction, it has extensive capital needs with many original building systems and components. The scope of this renovation project consists of comprehensive plumbing replacement, HVAC system improvements, installation of a fire suppression system, fire alarm system replacement, and apartment improvements including new kitchen countertops, tub surrounds, flooring, and handicapped accessibility upgrades in six units.

On January 8, 2019, an invitation for bids for General Construction (GC) services was publicly advertised with a bid due date of February 13, 2019. The following bids were received:

Hamline Construction	\$3,599,900
Frerichs Construction	\$3,616,555
Knutson Construction	\$4,366,000

The successful bidder, Hamline Construction, has completed several similar projects and MPHA staff is confident they will perform well on this project.

This Report was prepared by Laura Dykema, Director of Planning & Development. For further information, please contact Ms. Dykema at (612) 342-1428 or ldykema@mplspha.org.