



# TACOMA HOUSING AUTHORITY

## RESOLUTION 2007-07-25-(2)

DATE: July 25, 2007  
TO: Board of Commissioners  
FROM: Michael Mirra, Executive Director  
RE: Authorization to award the Contract for Area 3 Infrastructure to Gary Merlino Construction Company, Inc.

### **Background**

Quadrant Homes had contracted with THA under its Purchase and Sales Agreement to build the infrastructure for Salishan Area 3. In April, six days before the date that construction was to begin, Quadrant Homes informed THA that it would not perform this obligation. Therefore, it became necessary for THA to become the developer and take on the physical and financial responsibility of the Area 3 Infrastructure installation. Staff worked with its consultants to develop plans and specifications necessary for the Invitation to Bid (ITB) procurement. THA obtained an independent cost estimate. On June 28, 2007, THA advertised the ITB. THA held a pre-bid meeting at the site on July 09, 2007. Five General Contractors picked up bid packages. Three contractors submitted bids. THA opened the bids on July 19, 2007. THA deemed all three to be responsive and responsible. Gary Merlino Construction Company, Inc. submitted the lowest responsive and responsible bid. The table below lists all respondents and their bids:

	<b>CONTRACTOR</b>	<b>BID AMOUNT</b>
1	Gary Merlino Construction, Inc.	\$13,963,359.00
2	Tucci and Sons	\$14,510,755.81
3	Ceccanti	\$16,400,000.00

At this time staff is requesting the Board's approval to award a contract to Gary Merlino Construction, Inc. for the Salishan Area 3 Infrastructure in the amount of not to exceed \$14,661,526.00. This amount includes 5% owner's contingency. This contract award is contingent upon Tacoma Housing Authority obtaining financing for the work, which, as the Board knows, staff is seeking to arrange.

### **Recommendation**

Approve Resolution 2007-07-25-0(2) authorizing the Executive Director to award a contract to Gary Merlino Construction, Inc for Salishan Area 3 Infrastructure in the amount not to exceed \$14,661,526.00.



# TACOMA HOUSING AUTHORITY

RESOLUTION 2007-07-25 (2)

## CONTRACT FOR SALISHAN AREA 3 INFRASTRUCTURE CONSTRUCTION

**Whereas,** Tacoma Housing Authority became the developer for Area 3 Infrastructure;

**Whereas,** THA issued and advertised an Invitation for Bid in the following publications: The Tacoma News Tribune, Tacoma Daily Index, Seattle Daily Journal of Commerce, The Olympian, The Skanner, The Portland Observer, and at various regional Contractor Plan Centers;

**Whereas,** Three firms responded and after staff review, all three were deemed responsive and responsible with the following bid results:

	<b>CONTRACTOR</b>	<b>BID AMOUNT</b>
1	Gary Merlino Construction, Inc.	\$13,963,359.00
2	Tucci and Sons	\$14,510,755.81
3	Ceccanti	\$16,400,000.00

**Whereas,** THA staff conducted a “due diligence” review of Gary Merlino Construction, Inc. capacities, financial resources and references, and found them to be quite positive;


**Whereas,** The Authority has developed a preliminary budget of \$20 Million for Area 3 Infrastructure; and

**Whereas,** any contract for this work will be contingent on THA’s success in arranging the financing for it.

*Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington,*

The Executive Director has the authority to award the contract to award a contract to Gary Merlino Construction, Inc. for Salishan Area 3 Infrastructure in the amount not to exceed \$14,661,526.00.

Approved: July 25, 2007

  
Stanley Rumbaugh, Chairman