



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-6-25(2)

Date: June 25, 2014
To: THA Board of Commissioners
From: Michael Mirra
Executive Director
Re: Construction Contract Amendment to Exceed \$100,000

Background

THA purchased the house located at 4836 S. K Street under the AG Program with the City or Tacoma. Under the AG Program, THA is purchasing foreclosed and short sale houses in order to increase investment in neighborhoods that have been heavily impacted by derelict property. The City provides the funds for the purchase and rehabilitation of the houses.

4836 S K Street is a larger (1,824 square ft.), 100-year old house. It needed a lot of work to make it marketable. THA staff's original estimate was approximately \$75,000 for the rehabilitation work. All of the bids came in substantially higher; the lowest bid was \$99,932. In addition, construction uncovered some additional some expensive items that needed attention. The most recent change order was to install plumbing ventilation pipes that were missing and that building codes require. This change order took the total amount of the contract over \$100,000. This is the type of item we would not know about until we started to do work.

The contractor is almost done with work. A field directive was issue to enable the contractor to continue work so we can put the house on the market. The attached resolution formally approves increasing the contract to \$130,000.00

By the terms of the AG Program, the state, through the City, pays for all costs.

Recommendation

Approve Resolution 2014-6-25(2) authorizing the Executive Director to amend the existing contract with Libby Builders Inc. to an amount exceeding the current \$100,000 limit. The final budget is not expected to exceed \$130,000.00.



TACOMA HOUSING AUTHORITY

RESOLUTION 2014-6-25(2) Construction Contract Amendment to Exceed \$100,000

A RESOLUTION of the Board of Commissioners of the Housing Authority of the City of Tacoma

Whereas, the Housing Authority of the City of Tacoma participates in the City of Tacoma AG Program which provides funds to purchase and rehabilitate and then re-sell foreclosed and short sale homes to low income buyers;

Whereas, the Housing Authority of the City of Tacoma issued an Invitation to Bid (ITB) on February 6, 2014;

Whereas, three bids were submitted and THA selected the lowest bid;

Whereas, the current contract with Libby Builders is \$99,932;

Whereas, the change orders needed to bring the house up to marketable condition and current code have put the project over the \$100,000 threshold;

Whereas, the amended contract is not expected to exceed \$130,000.00.

Whereas, all costs are borne by the state's AG program.

Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington as follows:

1. The Executive Director be authorized and directed to amend the above existing construction contract with Libby Builders Inc. for the stated Not-to-Exceed Value for the rehabilitation of 4836 S K street..

Approved: June 25, 2014



Greg Mowat, Chair