

HACSA MEMORANDUM

**TO:** HACSA Board of Commissioners

**PRESENTED BY:** Craig Satein, Weatherization Supervisor

**AGENDA ITEM TITLE:** ORDER/In the Matter of Accepting a Bid and Awarding a Contract for the Weatherization of Homes, Phases 07-R-0052

**AGENDA DATE:** October 17, 2007

**I. MOTION**

IT IS MOVED THAT SAGE ENERGY SERVICES BE AWARDED A \$100,000 CONTRACT FOR PHASE 07-R-0052, FOR THE WEATHERIZATION OF HOMES PROJECT; AND THAT AN ORDER BE SIGNED TO THIS EFFECT; AND THAT AN AGREEMENT BE EXECUTED BY THE EXECUTIVE DIRECTOR IN ACCORDANCE WITH THE BID DOCUMENTS.

**II. ISSUE**

To award a requirements contract to the lowest responsive and responsible bidder to weatherize homes of low-income residents in Lane County.

**III. DISCUSSION**

A. Background

The Agency contracts with private businesses to install weatherization measures for low-income families in Lane County. This bid invitation was advertised in the Daily Journal of Commerce in Portland, the Register Guard, The Skanner, the Asian Reporter and the El Hispanic News. The only company to respond to this solicitation was Sage Energy Services.

HACSA has been contracting on a requirements basis with the private sector for the past twenty-four years to provide labor and materials to weatherize the homes of low-income residents of Lane County. Contractors submit bids as a price per unit measure for typical weatherization items. For example; cost per square foot of attic and floor insulation. A weighted formula is used to determine an adjusted price per house and is the basis for determining the lowest bidder. HACSA has capped bid unit prices based upon fair market costs for the eight items which are competitively bid. Another thirteen weatherization items have a fixed fair market price assigned to them.

During the past decade, due to the declining pool of weatherization contractors, HACSA has employed various bid strategies for the purpose of evaluating market competition. In some cases we've limited the number of contracts awarded to any one contractor. We've also changed contract amounts (increase / decrease) and the number of multiple bid openings. Although these various strategies have yielded mixed results, we enjoy continued success providing cost- effective community services.

The bid received this year is 4 percent higher than the highest bid awarded last year and 38 percent higher than the lowest bid awarded last year. Currently the building trades are still reasonably busy, allowing contractors to "pick and choose" jobs which ultimately drives contract prices upward. The other side of this contractor "coin", is that rising energy costs counter-balance higher contractor prices in terms of "cost effectiveness". As such, we're able to continue delivering comprehensive weatherization services and help maintain the inventory of affordable housing in Lane County.

#### B. Analysis

The single bid received for Phase 07-R-0052 was as follows:

1. Sage Energy Services                      \$4,318 per House

#### C. Alternatives/Options

HACSA could rebid this project. However, with the limited competition demonstrated over the past decade, we believe rebidding would yield similar or even higher prices. To the extent that budget funds are available, it is our recommendation that this contract be awarded.

D. Recommendation

It is recommended that a requirements contract be awarded to Sage Energy Services.

E. Timing

Upon bid award, contractors shall have ten days to provide the Agency with performance security bonds for the full contract amount. We anticipate that all other necessary documents can be processed by the end of October and that work will commence shortly thereafter.

**IV. IMPLEMENTATION/FOLLOW-UP**

As in item III. E.

**V. ATTACHMENT**

A. Bid Recap Sheet

**IN THE BOARD OF COMMISSIONERS OF THE  
HOUSING AND COMMUNITY SERVICES AGENCY OF  
LANE COUNTY, OREGON**

**ORDER NO.**

**)In the Matter of Accepting a Bid and  
)Awarding a Contract for the  
)Weatherization of Homes, Phase  
)07-R-0052**

WHEREAS, at a duly publicized time and place on September 14, 2007, Craig Satein of the Housing and Community Services Agency of Lane County, Oregon, publicly opened bids for the following project:

Furnishing all labor and most materials to perform the Weatherization of Homes, Phases 07-R-0052, in strict accordance with the project specifications prepared by the Agency.

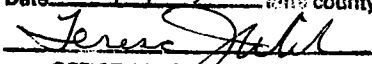
WHEREAS, the lowest responsive bidder for contract 07-R-0052 was Sage Energy Services, and; the Executive Director having so recommended;

ORDERED, that Sage Energy Services be awarded a \$100,000 requirements contract for Phase 07-R-0052, for the Weatherization of Homes Project and that an agreement be executed by the Executive Director in accordance with the bid documents. The contractor shall present a performance and payment bond for the full contract amount and shall satisfactorily complete all work within the specified contract time.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2007

\_\_\_\_\_  
Chairperson, HACSA Board of Commissioners

In the Matter of Accepting a Bid and Awarding a Contract for the Weatherization of Homes, Phase 07-R-0052.

**APPROVED AS TO FORM**  
Date 10/8/07 Lane County  
  
OFFICE OF LEGAL COUNSEL

**BID RECAP SHEET**

**Private Contractor Weatherization Project**

**Phase 07-R-0052 bid opening results was as follows:**

	<b><u>Contractor</u></b>	<b><u>Amount</u></b>
1.	Sage Energy Services	\$4,318 per House

This is a true and accurate account of the bid opening for the weatherization project held September 14, 2007



9.14.07

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Craig Satein, Weatherization Supervisor