

INDIAN RIVER COUNTY, FLORIDA

M E M O R A N D U M

TO: Jason E. Brown; County Administrator

THROUGH: Phillip J. Matson, AICP, Community Development Director

THROUGH: Bill Schutt, AICP, Chief, Long-Range Planning

FROM: Matt Kalap, Long Range Planner

DATE: December 7, 2020

SUBJECT: REQUEST TO APPROVE THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) APPLICANT LIST FOR CONFLICT OF INTEREST AND THE SECOND SET OF HOUSING REHABILITATION BIDS (4 BIDS) FOR THE COUNTY'S HOUSING REHABILITATION CDBG

It is requested that the following information be given formal consideration by the Indian River County Board of County Commissioners (BCC) at its regular meeting of December 15th, 2020.

DESCRIPTION AND CONDITIONS

On July 10th 2018, the BCC authorized the Community Development Director to apply for a Housing Rehabilitation Community Development Block Grant (CDBG) for the unincorporated portions of the County. Subsequently, the Florida Department of Economic Opportunity (DEO) awarded a \$750,000 grant to the County and the County hired a CDBG consultant, Guardian Community Resource Management to administer the grant.

Since then, the consultant has worked with county staff to undertake the required steps to proceed with block grant implementation. These steps included soliciting and obtaining intake application forms from homeowners in the unincorporated portions of the County (during the month of October 2019), ranking those applicants, procuring services from abstractors, lead-based paint inspectors, and general contractors, soliciting for qualified contractors to bid on rehab projects, soliciting and awarding bids for several of the housing units, and undertaking rehabilitation of those housing units.

CDBG Applicants

With respect to applicants, CDBG rules require that they be reviewed for real and/or perceived conflicts of interest by both the CDBG Citizens Advisory Task Force (CATF) and the BCC. On January 10th 2020, the CDBG Citizen's Advisory Task Force (CATF) reviewed the list of CDBG applicants (Attachment 1) and Pursuant to Section E(3) of Part II of the Housing Assistance Plan (HAP) (Attachment 2) the CATF members in attendance determined that no conflicts of interest exist. Subsequently, on February 18th 2020, the BCC reviewed the list of CDBG applicants and also determined that there are no conflicts of interest.

Since the BCC has two new commissioners, it is appropriate at this time for the newly elected officials to review the Housing Rehab CDBG applicant list and publicly acknowledge if a real or perceived conflict of interest exists with any of the applicants.

Rehabilitation Bids

On October 6th 2020, County staff requested that the BCC approve the first four bids for the Housing Rehabilitation CDBG. Since that approval, County staff coordinated with the County's CDBG administration consultant to complete the necessary contracts and forms and, rehabilitation work on the first four homes has commenced. On September 28th 2020, County staff issued the invitation to bid on the second set of rehabilitation projects and held a public bid opening on October 20th 2020. Three contractors participated in that bidding process, De La Hoz Builders, Inc., A2B Development, LLC and, Kib Construction. The County's CDBG administration consultant has reviewed and ranked those bids in accordance with CDBG requirements. At this time, it is requested that the BCC review and approve the next set of four (4) Housing Rehabilitation CDBG bids (Attachment 5).

ANALYSIS

CDBG Applicant Review

A conflict of interest is defined as a relationship or circumstances whereby a person or organization exercises functions or responsibilities for funded activities through which they, their relatives or known associates obtain or appear to obtain a financial benefit.

With respect to the BCC, whenever a conflict of interest exists DEO rules require that it must be made known at a regular meeting of the Board, the member with a conflict must abstain, and the county must notify DEO in writing of the conflict then, receive written notification of DEO's approval of the waiver of conflict of interest, in accordance with Title 24 C.F.R. Section 570.489 (h)(4) (Attachment 3). Additionally, before any applicant with a potential or real conflict of interest is given final approval for participation a request for a waiver of conflict of interest must be filed with the DEO.

No acknowledgement of a conflict of interest has been made known by any applicants. If there is an ongoing relationship or financial benefit between any applicant and any BCC member with respect to

CDBG funding it must be made known and the BCC member must abstain from any vote related to that applicant. Provided as an attachment to this report is a Conflict of Interest Form created by the CDBG administration consultant in order for each BCC member to review the applicants, acknowledge whether or not a conflict exists and sign (Attachment 4). After newly elected members of the BCC have acknowledged any conflicts of interest they may approve the bids.

Rehabilitation Bids

In regards to the bids, the County’s CDBG HAP generally requires submitted bids to be ranked by price and that bids be awarded to the lowest responsible bidder within plus or minus fifteen percent (15%) of the pre-bid cost estimates. Section H(3) of Part II of the County’s HAP (Attachment 5) provides exceptions to the scoring and awarding of bids as follows:

1. Minority Owned Businesses and Women Owned Businesses (MBE/WBE) may be given preference over a non-MBE/WBE contractor if the MBE/WBE contractors price is within 15% of the pre-bid cost estimates and the MBE/WBE contractors price is higher than the lowest bid/bidders price; and
2. No contractor may be awarded more than two bids per bid round.

While priority may be given to MBE/WBE firms, and the County has a cap of no more than 2 bid awards to the same contractor per bid round; the County has the right to reject any and all bids and to award bids in the best interest of the County and applicant.

For three of the four projects (4015 46th Street, 2143 2nd Avenue SE, and 434 20th Place SW), the CDBG administration consultant recommends the County approve the lowest responsible bidder. In one of those three cases, the low bidder happens to be a MBE/WBE contractor.

For the one remaining project (4470 34th Drive) the consultant recommends the bid be awarded to the second lowest bidder as that second bidder is given preference as a MBE/WBE contractor over the lowest bidder. Also, the price differential between the low bidder and the second bidder is not substantial, and awarding the project to the low bidder would have the county awarding more than two bids in a bid round to the same contractor (not allowed by HAP).

A complete bid tabulation is included as Attachment 6. Outlined in the table below are the consultant’s recommendations for bid approval and amounts to be utilized from CDBG funds.

Applicant Name and Address	Total Bid	CDBG funds	Contractor
Irma & Jimmy Williamson 4015 46 th Street, 32967	\$68,688.00*	100%	Kib Construction
Patricia Leroy 4470 34 th Drive, 32967	\$33,882.00*	100%	Kib Construction
Larry & Sally Grayam 2143 2 nd Avenue, 32962	\$61,700.00	100%	A2B Development, LLC
Sabrina Hill 434 20 th Place SW, 32962	\$38,880.00**	100%	A2B Development, LLC

*WBE/MBE firm, **No Contractor can have more than 2 bids awarded per round

FUNDING

Funding will be provided by a “roll over” of the grant funds with a budget amendment to expense account number 12913054-033490-19802, CDBG Grant Fund/Other Contractual Services.

RECOMMENDATION

Staff recommends that the new members of the Board of County Commissioners:

1. Review the applicant ranking list;
2. Publicly acknowledge if there is a conflict of interest between any BCC member and any of the applicants; and
3. Complete the attached Conflict of Interest Form and provide to staff after the meeting.

Staff recommends that the entire Board of County Commissioners review the attached Bid Tabulation and approve the following bids;

1. Irma and Jimmy Williamson (4015 46th Street, 32967) to Kib Construction for the bid amount of \$68,688.00;
2. Patricia Leroy (4470 34th Drive, 32967) to Kib Construction for the bid amount of \$33,882.00;
3. Larry and Sally Grayam (2143 2nd Avenue, 32962) to A2B Development, LLC for the bid amount of \$61,700.00; and
4. Sabrina Hill (434 20th Place SW, 32962) to A2B Development, LLC for the bid amount of \$38,880.00.

ATTACHMENTS

- 1) Applicant ranking list for CDBG #19DB-ON-10-40-01-H03
- 2) Section E(3) of Part 2 of Indian River County’s Housing Assistance Plan
- 3) C.F.R. Section 570.489 (h)
- 4) BCC Conflict Identification Form
- 5) Section H(3) of Part II of Indian River County’s Housing Assistance Plan
- 6) Round 2 Housing Rehab CDBG Bid Tabulation with Consultant Recommendation

