

Board of County Commissioners

Agenda Request

Date of Meeting: May 17, 2010

Date Submitted: May 13, 2010

To: Honorable Chairman and Members of the Board

From: Benjamin H. Pingree, County Administrator
Lindsay Stevens, Assistant County Administrator
Alfred Nelson, Director, Wakulla County Housing
Jerry Nuss, Weatherization Coordinator

Subject: Request Board Approval of Contracts for Weatherization Services for the Wakulla County Housing Division and Delegate Authority to the County Administrator to Approve Future Contracts for Weatherization Services

Statement of Issue:

This agenda item requests the Board to approve the bids of May 10 and May 11, 2010, for five (5) qualified local vendors to perform weatherization services for the Wakulla County Housing Division in the amount not exceeding Fifteen Thousand Dollars (\$15,000.00) per bid and approve the contracts with each vendor.

This agenda item also requests further Board approval to waive the Purchasing Policy for the term of the WAP ARRA grant funding, to allow bids to be released and accepted in blocks of three (3) to five (5) homes in a total amount per block not to exceed Twenty-Five Thousand Dollars (\$25,000.00) per block and grant authority to the County Administrator to approve these future contracts with those vendors on the County's pre-approved vendor list (currently 9) and in accordance with the terms of the standard Contractual Services Agreement, attached hereto as Attachment #6. This would greatly expedite the expenditure of the WAP ARRA funding and provision of weatherization services to Wakulla County Citizens.

Background:

The Weatherization Assistance Program (WAP) was designed in the 1970's during the energy crisis and focused slowly on the perseverance of the Nation's energy sources by sealing windows and caulking. The program's goal is to reduce energy costs to low-income persons by improving the energy efficiency of their homes while ensuring their health and safety. Nationwide, weatherization benefits low-income households and communities and generates an average energy cost savings of \$300 per home each year. Professionally trained weatherization crews perform on-site home energy audits using state of the art equipment to identify outside drafts, inspect heating and cooling systems and perform health & safety checks. Weatherization crews install materials to make homes more energy efficient and make minor repairs to ensure safety. Once installed, the energy saving measures help to reduce heating and cooling costs for years to come.

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Wakulla County was awarded a total \$664,886.99 in WAP American Recovery and Reinvestment Act of 2009 (ARRA) Funding to weatherize 144 homes. The WAP ARRA funding is to be spent over a three (3) year period, beginning September 1, 2009. The funding is distributed to Wakulla County by the Florida Department of Community Affairs (DCA) on a reimbursement basis; as each home is weatherized.

When Wakulla County was awarded the WAP ARRA funding, Wakulla County Housing presented an action plan to the BOCC at an April 21, 2009 workshop, which also included a request for Board approval of additional staffing to handle the significant increase in workload. (Attachment 1)

In September 2009, effectively at the same time the increased ARRA funding arrived to the County and service demand spiked, the sole full-time weatherization staff member of Wakulla County's Housing staff resigned from County employment. As a result, Wakulla County was left without a certified Weatherization Coordinator, which was required by DCA to perform inspections on local residences which received weatherization services. Therefore, Wakulla County Housing commenced recruitment activities to obtain not only additional OPS staff members to handle the influx of ARRA-related Housing funding, but to also replace the permanent Weatherization Coordinator position. After a lengthy search, Wakulla County's current Weatherization Coordinator, Mr. Jerry Nuss, was hired and began work on December 7, 2009. Mr. Franklin was also hired on December 21, 2009, as a Weatherization Assistant and Rehabilitation Specialist. However, neither new hire arrived with the required state certification for weatherization. Mr. Nuss obtained Weatherization Contractor Training certification on February 15, 2010, which was the earliest occasion available for Mr. Nuss to obtain training and take the certification exam. Mr. Franklin obtained Weatherization Contractor Training and certification on March 12, 2010. As a result, Wakulla County now has two (2) employees with Weatherization Contractor Training and certification.

Concurrent with its search for employees to fill vacant housing positions, Wakulla County Housing was working with local contractors to provide training opportunities so that these contractors could be qualified to perform weatherization services upon residences as part of the WAP ARRA program. Wakulla County Housing advertised these training opportunities in the local paper and by word of mouth. To qualify to perform services as a weatherization contractor, a contractor must be specially certified. In order to obtain certification, a contractor must obtain training which includes specialized Certified Renovator Certification and Certified Firm Certification (needed for pre-1978 homes) for conducting Renovation, Repairs and Painting (RRP). The required WAP training is a sixteen (16) hour course given over two (2) days, which was most recently provided for free in Wakulla County on April 28 and 29, 2010. At present, nine (9) local firms have obtained this training, are qualified to perform weatherization services and are on the County's pre-approved vendor list.

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The DCA performed a site-visit on Wakulla County's weatherization program from February 17-19, 2010. At that time, DCA was aware that Wakulla County was behind in the number of homes being weatherized, as a result of the turnover in staffing and the need for new staff to obtain appropriate certifications to perform weatherization inspections. It is especially important to note that the DCA did not authorize Wakulla County Housing to actually expend WAP ARRA funding until February 22, 2010, due to certification requirements and contract modifications. At this point in time, Wakulla County was already behind in weatherization production, which again, DCA was aware of. Equally important, and during this period and prior to receipt of the letter noted in the following paragraph, no additional communication from DCA was received by Housing Division staff about any concerns regarding the backlog.

On April 29, 2010, DCA sent a letter to Wakulla County regarding WAP ARRA funding and concerns it had over the production rates and noted that should production rates not increase it may be necessary to obtain alternate weatherization service providers in Wakulla County. (Attachment 2) This letter was received by Wakulla County on May 5, 2010.

On May 6, 2010, Housing and OMB staff, Administration and the County Attorney met to identify what issues have resulted in the low production numbers in the weatherization program, as well as what measures could be taken to streamline the process and remedy this situation. During this meeting, it became apparent that the County Purchasing Policy, as it was being applied, was creating an unnecessary obstacle that may exacerbate the timely processing of completed homes and an alternative method was needed. Specifically, each weatherization job (residence) was being individually bid out to qualified local contractors. Since each weatherization job is relatively small (\$5,000 maximum), many larger contractors were not bidding. As a result, the winning bidders were smaller contractors who quickly became inundated with work and have been unable to sustain a rapid pace of completion. This has also slowed progress in making up for time lost and the backlog.

After reviewing the Wakulla County Purchasing Policy, as well as the WAP Procedures & Guidelines, it was determined that bidding jobs out as packages or blocks – with each package or block including multiple residences – was allowable. This adjustment in the bidding process would greatly expedite the process and provision of services to Wakulla County citizens. Additionally, all of Wakulla County's pre-qualified contractors (currently a total of 9 contractors) would be interested in these larger jobs, as opposed to the two or three contractors who were bidding on the individual jobs.

On May 7, 2010, Housing staff and County Administrator spoke with DCA staff regarding a proposed corrective action plan to address Wakulla County's current backlog in providing weatherization services and expending the WAP ARRA funding. The Housing Director followed this telephone conference with an e-mail outlining Wakulla County's proposal to remedy the backlog

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situation. (Attachment 3) The Housing Director also drafted a memo to County Administration in an effort to provide an update on the most recent activities related to the DCA letter. This memo was subsequently forwarded to the Board. (Attachment 4)

On May 11, 2010, Housing staff and County Administration had a second phone conference with DCA staff, including Janice Browning, Paula Lemmo, and Norm Gempel, and specifically discussed the corrective action plan proposed by Wakulla County. During this conference, DCA staff agreed that Wakulla County's proposal to correct the weatherization backlog was acceptable, and noted that while Wakulla County was at an approximately 17% production rate currently, this percentage would increase as additional homes pending DCA review were cleared for payment and additional 16-20 completed homes were submitted for payment by the end of May 2010. (Other comparably-sized counties are running at the following production rates: Calhoun – 81%; Lee County - 60%; Liberty County – 40%) The corrective action plan states that Wakulla County will meet the following benchmarks:

- Streamline the bid process by issuing homes for bid in groups of 3 to 5
- Employ a more aggressive approach to soliciting homes for weatherization
- Commit to weatherizing 12 – 16 homes per month (including May 2010)
- Provide dedicated staff for more effective job/field (onsite) oversight
- Provide staff to oversee and support contractors in the field and in-house for WAP related functions
- Meet the 50% completion rate (72 homes) by September 30, 2010

As of the date of this Agenda Request, Wakulla County has a total of ninety-five (95) applications from citizens who desire WAP ARRA services. Wakulla County Housing typically receives approximately three (3) to five (5) applications for weatherization services per week from citizens. As of the end of April 2010, Wakulla County should have had sixty-four (64) homes completed. At present, five (5) homes have been cleared, with an additional nine (9) homes pending payment – for a total of fourteen (14) homes weatherized. There are currently four (4) homes receiving weatherization services, with twenty-five (25) homes awaiting pre-inspection, which is required prior to a home receiving weatherization services.

Analysis:

Based upon guidance from the County Administrator, County Attorney and DCA to immediately address the backlog, Wakulla County Housing bid out nine (9) homes in three (3) blocks of three (3) homes per block on May 10, 2010. Additionally, on May 11, 2010, Wakulla County Housing bid out an additional six (6) homes in two (2) blocks of three (3) homes per block. This Agenda Request seeks acceptance of these bids and approval of the contracts with each vendor (Attachment 5).

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In addition to a request for approval of the May 10, 2010 and May 11, 2010 bids and vendor contracts, this Agenda item also requests that the Board authorize future bids to be released and accepted by the County Administrator in blocks of three (3) to five (5) homes in a total amount per block not to exceed Twenty-Five Thousand Dollars (\$25,000.00) per block and delegate authority to the County Administrator to approve future contracts with those vendors on the County's pre-approved vendor list and in accordance with the terms of the standard Contractual Services Agreement, attached hereto as Attachment #6. This structure supports the action plan for expending the ARRA funding. This approval would greatly expedite the expenditure of the WAP ARRA funding and provision of weatherization services to Wakulla County Citizens. Any proposed blocks of bids exceeding the Twenty-Five Thousand Dollar (\$25,000.00) threshold would be brought to the Board pursuant to the standards set forth in the Purchasing Policy.

The Board could also choose to not waive the Purchasing Policy for the life of the WAP ARRA grant funding, which would require Board approval for each block of bids in the amount exceeding Ten Thousand Dollars (\$10,000.00). It is anticipated that utilizing this scenario, the Board would be approving requests from the Housing Department at most, if not every, Board meeting. This could result in a slowdown in production rates for the County's WAP ARRA funds.

Options:

1. Accept the bids and approve the contracts with each vendor to perform weatherization services for the Wakulla County Housing Division in the amount not exceeding Fifteen Thousand Dollars (\$15,000.00) per bid.
2. Authorize future bids to be released and accepted by the County Administrator in blocks of three (3) to five (5) homes in a total amount per block not to exceed Twenty-Five Thousand Dollars (\$25,000.00) per block and delegate authority to the County Administrator to approve future contracts with those vendors on the County's pre-approved vendor list and in accordance with the terms of the standard Contractual Services Agreement.
3. Do not accept the bids and approve the contracts with each vendor to perform weatherization services for the Wakulla County Housing Division in the amount not exceeding Fifteen Thousand Dollars (\$15,000.00) per bid.
4. Do not authorize future bids to be released and accepted by the County Administrator in blocks of three (3) to five (5) homes in a total amount per block not to exceed Twenty-Five Thousand Dollars (\$25,000.00) per block and delegate authority to the County Administrator to approve future contracts with those vendors on the County's pre-approved vendor list and in accordance with the terms of the standard Contractual Services Agreement.
5. Board Direction.

Recommendation:

Options #1 and #2

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Attachments:

1. April 21, 2009 BOCC Ratification Item – ARRA Funding
2. April 29, 2010 Letter from DCA Re: ARRA Weatherization Production
3. May 7, 2010 E-mail from Housing Director to DCA
4. May 10, 2010 Memo from Housing Director to County Administration
5. Bid Documents from May 10, 2010 and May 11, 2010
6. Contractual Services Agreement