

CONTRACT CHANGE ORDER ANALYSIS AND STAFF RECOMMENDATION

Contracting Agency:	Housing Authority of the City of Milwaukee
Contract Number/Change Order Number:	Contract 17-003 / Change Order 1
Contractor:	KPH Environmental Corporation
Change Order Amount:	\$150,000.00 not-to-exceed
Type of Work, Services, or Material:	Hazardous Materials Abatement Services
Housing Development and Number:	Various Sites
Budget/Account Number:	XXX-443038 (charge various funding sources as needed)

PROCUREMENT REVIEW

PROCURING SECTION: Modernization & Development Services

The billing rates for this contract are significantly higher than those paid on previous contracts, and the available funding for the contracted services is significantly lower than in previous years. In light of this, the initial contract award was for only \$150,000.00 for the initial contract period, approximately half the amount usually awarded in previous years. The contract was to be monitored for several months to determine the long-term viability of continuing services under the contract.

The Contractor has performed satisfactorily thus far. The volume of work requested by the Housing Authority has been significantly lower than in previous years and has fallen within the available funding for the contracted services.

Modernization & Development Services recommends that the contract authority be increased by \$150,000.00 not-to-exceed for services on an as-needed basis for the remainder of the initial contract period (ending 03/27/2018). All other terms and conditions of the contract will remain in effect, including fees/rates.

Vice President of Construction _____ Date _____

EMERGING BUSINESS ENTERPRISES

Target Contracting	<u>20</u> %	<u>MBE and/or WBE</u>
Proposed Contracting	<u>29</u> %	<u>MBE</u>

KPH Environmental Corporation is not a certified MBE or WBE. However, 29% of the contract dollars are going to various MBE firms that are certified by the Wisconsin Department of Administration. It is recommended to proceed by Purchasing & Contracts Services.

Contract Compliance Officer _____ Date _____

SECTION 3

Target Contracting (when triggered)	<u>10</u> %	Target Employment (when triggered)	<u>30% of new hires</u>
Proposed Contracting	<u>0</u> %	Proposed Employment	<u>zero hires</u>

KPH Environmental Corporation (KPH) made efforts to locate Section 3 Business Concerns that focus on abatement of hazardous materials and did not find any. As such, KPH has agreed to conduct a two-hour training regarding asbestos awareness for Youthbuild to satisfy its Section 3 requirement through other economic opportunities. KPH usually offers this training for a fee to other contractors and provides a certificate to attendees at the end. This training will be provided to Youthbuild free of charge and will give them additional knowledge and perspective regarding asbestos and other hazardous materials.

KPH has no need to hire. KPH's subcontractors, Rams Contracting and Dakota Intertek, are both familiar with Section 3 hiring regulations and are hiring Section 3 residents on other projects. In the event that a need to hire arises, KPH and its subcontractors will inform the Purchasing & Contracts Division prior to the occurrence.

It is recommended to proceed by Purchasing & Contracts Services.

Contract Compliance Officer _____ Date _____

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FINANCE AND ACCOUNTING

Finance and Accounting concurs with the recommendation of the Procuring Section to execute the contract change order as described. Charge the account number(s) as listed above.

Grants Accountant/Budget Analyst _____ Date _____

RECOMMENDATION

RECOMMEND EXECUTION OF CONTRACT CHANGE ORDER AS INDICATED ABOVE.

APPROVAL RECOMMENDED

Chief Financial Officer _____ Date _____

Asst Secretary–Mod Coordinator _____ Date _____

APPROVED

Secretary–Executive Director _____ Date _____

HA-195 (09/2015)