



U.S. Department of Housing
and Urban Development
Milwaukee Field Office
Suite W950
310 West Wisconsin Avenue
Milwaukee, WI 53203-2289
<http://www.hud.gov/local/mil/>

May 14, 2018

SENT VIA EMAIL

Tony Perez, Secretary-Executive Director
Housing Authority of the City of Milwaukee
809 N. Broadway / PO Box 324
Milwaukee, WI 53203

RE: Noncompetitive Procurement Proposal for Automatic Fire Protection Sprinklers

Dear Mr. Perez:

This letter confirms receipt and review of an email request from Warren Jones, dated May 14, 2018, for Noncompetitive Procurement Proposal for automatic fire protection sprinklers for the Housing Authority of the City of Milwaukee (HACM) at Victory Manor.

It is our understanding that the HACM posted an Invitation for Bids on HACM's website, a notice was sent directly to contracts in HACM's e-Notification system, a notice was sent to local contract exchanges and plan rooms, and direct contact was made to four (4) known fire protection contractors. This IFB was sent out during a time when contractors were actively seeking work for the 2018 construction season during November of 2017. Only one response was received from Armstrong/Alianza. Armstrong/Alianza has since gone out of business. If a new Invitation for Bids were posted, it would stop construction.

HACM is requesting to use Fireline Sprinkler, who developed the specifications and plans for the automatic fire protection sprinklers at Victory Manor. Further, Fireline Sprinkler is honoring the original bid price of \$249,939.

HACM's request for approval of noncompetitive proposal was considered in light of the procurement regulations found at 2 CFR 200 Subpart D. The PIH Procurement Handbook has not yet been updated to conform with the new procurement regulations. However, the approval process set out in the Procurement Handbook is still appropriate for noncompetitive proposals. 2 CFR 200.320(f) permits procurement by noncompetitive proposals when "the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation" and "after solicitation of a number sources, competition is determined inadequate." Thus, we concur with your noncompetitive proposal to enter into a contract for automatic fire protection sprinklers for HACM at Victory Manor.



U.S. Department of Housing and Urban Development

Minneapolis Field Office
920 Second Avenue South, Suite 1300
Minneapolis, Minnesota 55402-4012

If you have any questions, please contact Portfolio Management Specialist Diana "Dee" Schultz at (414) 935-6727 or diana.l.schultz@hud.gov.

Sincerely,

A handwritten signature in black ink, which appears to read "Shirley Wong". The signature is written in a cursive, flowing style.

Shirley Wong, PIH Director
Wisconsin Public Housing
Program Center, 5IPH

Schultz, Diana L

From: Jones, Warren <Warren.Jones@hacm.org>
Sent: Monday, May 14, 2018 9:59 AM
To: Schultz, Diana L
Cc: Perez, Tony; Marsells, Bobbi; Flores, David; Theissen, Kevin; Krotts, Melissa
Subject: FW: Noncompetitive Proposal for VM sprinkler system (Armstrong/Alianza and Fireline)
Attachments: Fireline Sprinkler - HACM - Proposal - Victory Manor.pdf

Good Morning Dee,

Our cost estimate for the sprinkler system for Victory Manor midrise apartment building exceeded the \$150,000 threshold for small purchases.

Thus, a formal, publicly advertised Invitation for Bids (IFB) known as Official Notice Number 57820 was conducted in October/November of 2017.

The advertisement was published in the local construction industry newspaper (The Daily Reporter).

In addition:

- a public notice was posted on the Housing Authority's website
- a notice was sent directly to contractors who registered for our automated eNotification system for current bidding opportunities;
- a notice was sent to local contractor exchanges and plan rooms
- staff directly called four known fire protection contractors to inform them of the availability of the IFB

One bid for \$249,939 was received from Armstrong General Contracting dba Alianza Fire Protection.

Award was approved in December 2017, and a contract was sent to Armstrong/Alianza. However, Armstrong/Alianza never executed the contract or submitted the required performance/payment bond (perhaps because the work was not scheduled to commence until April 2018).

On 05/03/2018, we received a notice from Armstrong/Alianza that it is out of business effectively immediately.

Since Armstrong/Alianza never provided the performance/payment bond, we could not demand a replacement contractor from Armstrong/Alianza's surety company.

Victory Manor construction schedule is at a critical juncture.

We cannot afford the delay required to conduct a new formal, publicly advertised IFB for a new sprinkler contractor.

Furthermore, the original IFB resulted in only one bidder despite extensive publication of notices during the time of year when contractors are actively seeking work for the upcoming construction season.

The construction season is now well underway, and contractors are likely to be too busy to take on additional work and/or would consider taking on additional work only at a price premium.

Armstrong/Alianza was in a SBA mentor/protégé relationship Fireline Sprinkler LLC, a reputable, successful fire protection contractor in Wisconsin.

In light of Armstrong/Alianza going out of business, Fireline has offered to take over the work originally contracted with Armstrong/Alianza.

Furthermore, Fireline agreed to honor the original bid amount of \$249,939 and to commence work immediately upon notice to proceed.

Thus, we could quickly bring on a good contractor to complete this critical work without delaying the construction schedule and at no additional cost to us.

Given these circumstances, we seek approval from HUD to make an award to Fireline Sprinkler LLC in the amount of \$249,939 pursuant to a non-competitive proposal, citing the following exceptions in 2 CFR 200.320(f): "(2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;" and "(4) After solicitation of a number of sources, competition is determined inadequate."

We need to engage the fire sprinkler contractor this week in order to maintain the already tight construction schedule. If we can get an answer early this week, we can keep our schedule intact.

Thank you for your consideration of this matter.

Warren



WARREN B. JONES, P.E.

Vice President of Construction

warren.jones@travauxinc.com

414 209.1809 | 414 559.5897



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Fireline

SPRINKLER

5036 Clairemont Dr.
Appleton, WI 54913

Office: (920) 757-9590
Fax: (920) 757-9591

May 9, 2018

Attn: Kevin Theissen
TraVaux Inc
809 N Broadway
Milwaukee, WI 53202

Phone: 414-345-8818
Cell: N/A
Email: kevin.theissen@hacm.org

RE: Victory Manor

Dear Kevin,

We are pleased to provide for your consideration the following proposal for the automatic fire protection sprinklers for the Victory Manor project.

Price: \$ 249,939.00 – Two hundred forty nine thousand nine hundred thirty nine dollars and 00/100

We would like to thank you for the opportunity to provide this quotation. If you have any questions or comments, please contact me.

Sincerely,

Ed Esselman
President

