CITY COUNCIL COMMUNICATION:

ITEM _

00-052

OFFICE OF THE CITY MANAGER CITY OF DES MOINES, IOWA

public improvement bidding procedures found in Chapter 384 of the Iowa Code. In undertaking the repair of housing units, the City utilizes procurement procedures required by HUD. The

Legal Department has advised the Engineering Department that

In undertaking the demolition of structures including the removal of asbestos, the City's current practice is to follow the

demolition service contracts are exempt from the public

improvement bidding requirements of Chapter 384, and has

advised Housing Services that it could utilize an expedited

procurement procedure if the City were to adopt one. The

proposed ordinance amendment developed by the Legal

Department, working with the Engineering and Housing

Services Departments, establishes an expedited bidding procedure for demolition services and for housing repair

SYNOPSIS -

AGENDA:

FEBRUARY 7, 2000

SUBJECT:

AMENDMENT OF CITY CODE TO EXPEDITE BID PROCEDURE FOR DEMOLITION AND HOUSING REPAIR SERVICE**S**

TYPE:

FISCAL IMPACT -

services.

RESOLUTION ORDINANCE RECEIVE AND FILE

SUBMITTED BY:

FLOYD BENTZ, P.E. CITY ENGINEER

BEN MONTIJO, DIRECTOR DEPARTMENT OF HOUSING SERVICES

The public improvement bidding process under Chapter 384 of the Iowa Code is a rigid process involving public notice, public bid opening, and public hearing that is time consuming and costly. The proposed expedited bid procedure would shorten the procurement process and reduce the staff time and cost involved in procuring service contracts.

Currently it is costing Housing Services about \$29,000 per month to have housing units sit vacant; and Housing Services is losing about \$31,000 per month in rental income for a total cost of approximately \$60,000 per month. The proposed bid procedure would reduce the time it takes to renovate and re-rent vacant units, thus reducing these losses.

RECOMMENDATION -

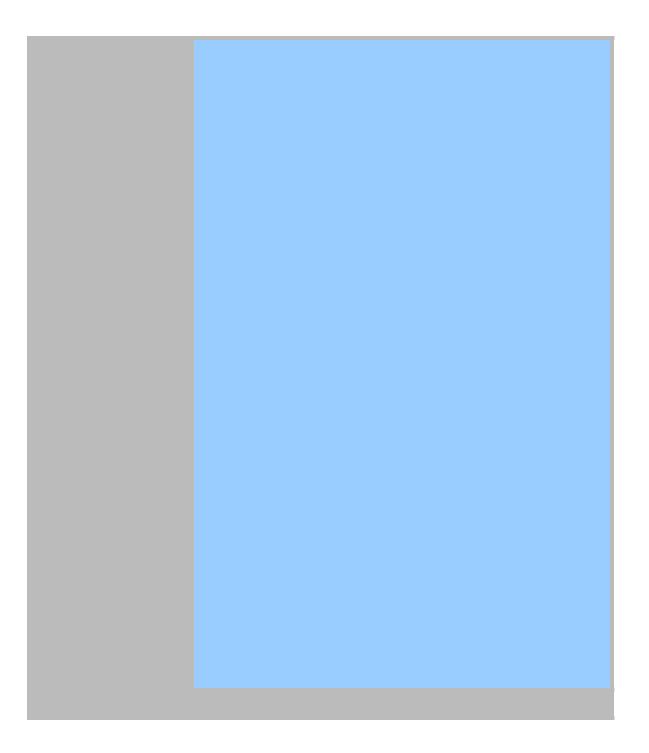
Approval.

BACKGROUND -

The Engineering Department has reviewed the demolition services procurement process currently in use and has identified an alternative procedure that will reduce cost and shorten the time required for procurement of demolition service contracts.

HUD has notified the Housing Services Department that the high vacancy rate of Housing Agency units should be immediately reduced. The proposed expedited bid procedure will greatly reduce the time required to procure contractors to repair and renovate vacant units so that the Agency may rent these units.





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