

PHA BOARD of COMMISSIONERS MEETING MINUTES

Thursday, March 20, 2014, 3 p.m., at 12 S. 23rd St., Philadelphia, PA 19103

The regular meeting of the Board of Commissioners was brought to order at approximately 3:10 p.m. by the Chair, Lynette M. Brown-Sow, with Commissioners Wetzel, Tate, Markman, Callahan and Camarda in attendance, as well as President & CEO Kelvin A. Jeremiah ("CEO Jeremiah") and Board Secretary and General Counsel, Barbara Adams. Following introductory remarks, the Chair requested a moment of silent reflection in preparation for the meeting and also extended her condolences to PHA resident Greg Brinkley, who recently lost his son.

CEO Jeremiah reviewed the procedure for public comment and noted the following: 1) James Mitchell has been appointed as PHA Chief of Police and Mike Johns is now the Senior Executive Vice President of Capital Projects; 2) PHA has had several constructive community meetings regarding progress at Blumberg and at Queen Lane; 3) Resident Commissioner elections are upcoming on April 29, 2014; and 4) PHA hosted another graduation ceremony for 10 GED graduates and 14 residents who completed the second cycle of the newly revamped Pre-Apprenticeship Program. At that point, the recent Pre-Apprenticeship graduates, all of whom are also now PHA employees with union cards, were presented. They introduced themselves and received a well-deserved round of applause.

The Chair then inquired whether there were any corrections to the minutes of the Board meeting of February 20, 2014, and hearing none, declared the minutes approved as submitted.

Nine resolutions were presented, all of which were unanimously approved by the Commissioners who were voting (Commissioner Wetzel recused himself for the last resolution).

Resolution 11684, attached in Appendix 1, was presented by Dinesh Indala, Acting Executive Vice President – Operations, to authorize PHA to contract with five (5) companies for vacant property cleanout services for PHA conventional housing and scattered site PHA properties: Couture Cleaning LLC; Milestone Construction and Management LLC; Daniels Contracting of Philadelphia; Premier-CSI; and Total Environmental Concepts. The contract performance period is a one (1) year base period and two (2) one-year option periods with a total aggregate amount for the five contracts, if all options are exercised, not to exceed one million one hundred ten thousand dollars (\$1,110,000.00). Following a motion to approve by Commissioner Callahan, as chair of the Finance Committee that reviewed and recommended the adoption of the resolution, a second, and discussion, including public comment, the motion was unanimously approved.

Resolution 11685, attached in Appendix 1, was presented by Anthony F. Williams, Vice President Sourcing, Procurement & Contract Administration – Supply Chain Management, and Joanne Strauss, Executive Vice President - Human Resources ("EVP – HR"), authorizes PHA to contract with the following companies for services for pensions to PHA:

- 1) Milliman, Inc., for federally required independent Certified Public Accountant services, in an amount not to exceed three hundred forty-nine thousand six hundred eighty-one dollars (\$349,681.00), including any option periods;
- 2) NEPC, LLC, for investment consulting (for both the defined benefit and defined contribution plans), in an amount not to exceed six hundred eighty-four thousand dollars (\$684,000.00) for the defined benefit plan and not to exceed three hundred sixty

thousand dollars (\$360,000.00) for the defined contribution plan, both including any option periods; and
3) Duane Morris LLP, for required legal support, an amount not to exceed two hundred ten thousand dollars (\$210,000.00), including any option periods.

Following a motion to approve by Commissioner Callahan, as chair of the Finance Committee that reviewed and recommended the adoption of the resolution, a second, and discussion, including the opportunity for public comment, the motion was unanimously approved.

Resolution 11686, attached in Appendix 1, was presented by Joanne R. Strauss, EVP - HR, to make amendments to the Defined Benefit ("DB") Plan to change the Average Earnings period used to calculate the accrued benefit, end future accruals in the DB Plan for its non-represented employee participants, and transfer those participants to the DC Plan, unless they chose to opt out of the changes. Following a motion to approve by Commissioner Callahan, as chair of the Finance Committee that reviewed and recommended the adoption of the resolution, a second, and discussion, including the opportunity for public comment, the motion was unanimously approved.

Resolution 11687, attached in Appendix 1, was presented by David Walsh, Acting Executive Vice President – Supply Chain Management ("AEVP-Supply Chain") to authorize PHA to contract with Devine Brothers, Inc. and Ciright Automation LLC, d/b/a TriState HVAC Controls for maintenance and repair services (including parts) for building automation systems/supervisory control and data acquisition/energy management expert systems (BAS/SCADA/EMES) in a total contract amount, if all options are exercised, not to exceed one million nine hundred and six thousand dollars (\$1,906,000.00). Following a motion to approve by Commissioner Callahan, as chair of the Finance Committee that reviewed and recommended the adoption of the resolution, a second, and discussion, including the opportunity for public comment, the motion was unanimously approved.

Resolution 11688, attached in Appendix 1, was presented by David Walsh, AEVP-Supply Chain, to authorize PHA to: 1) implement an energy procurement strategy for electricity; 2) enter into cooperative purchasing agreements with other governmental agencies; and 3) enter into contracts and commitments for the purchase of electricity, subject to certain limitations set by the Board in the Resolution. Following a motion to approve by Commissioner Callahan, as chair of the Finance Committee that reviewed and recommended the adoption of the resolution, a second, and discussion, including the opportunity for public comment, the motion was unanimously approved.

Resolution 11689, attached in Appendix 1, was presented by David Walsh, AEVP-Supply Chain, to authorize PHA to: 1) implement an energy procurement strategy for natural gas; 2) enter into cooperative purchasing agreements with other governmental agencies; and 3) enter into contracts and commitments for the purchase of natural gas, subject to certain limitations set by the Board in the Resolution. Following a motion to approve by Commissioner Callahan, as chair of the Finance Committee that reviewed and recommended the adoption of the resolution, a second, and discussion, including the opportunity for public comment, the motion was unanimously approved.

Resolution 11690, attached in Appendix 1, was presented by David Walsh, AEVP-Supply Chain, and James Mitchell, Chief - PHA Police Department, to authorize PHA to execute a contract amendment with Sovereign Security for uniformed unarmed and armed security guard

services at various PHA sites. This amendment keeps the same contract term and amount, but allows PHA to use the total amount that was authorized under Resolution 11622, as approved by the Board of Commissioners on June 20, 2013, for the three years of the initial contract (one base year and two option years) at its discretion, rather than being limited to a per year amount. Following a motion to approve by Commissioner Tate, as chair of the Resident Services Committee that reviewed and recommended the adoption of the resolution, a second, and discussion, including public comment, the motion was unanimously approved.

Resolution 11691, attached in Appendix 1, was presented by David Walsh, AEVP-Supply Chain, and Dinesh Indala, Acting Executive Vice President – Operations, to authorize PHA to execute contract amendments with Hispanic Ventures, Torrado Construction and Ashley Enterprises/MFO Painting Brigade, as entered into pursuant to Board Resolution No. 11645, on September 19, 2013, for painting services for units at various PHA sites. The contract term and not-to-exceed monetary limits would remain the same, PHA could use the total amount that was authorized for the four years of the initial contract (one base year and three option years) at its discretion, rather than being limited to a per year amount. Following a motion to approve by Commissioner Tate, as chair of the Resident Services Committee that reviewed and recommended the adoption of the resolution, a second, and discussion, including public comment, the motion was unanimously approved.

Resolution 11692, attached in Appendix 1, was to authorize PHA to execute an interagency agreement with the Philadelphia Redevelopment Authority (“PRA”) to act as PHA’s agent for eminent domain services performed on behalf of PHA for up to 1,000 properties around PHA’s Blumberg development for an amount not to exceed forty-four million dollars (\$44,000,000.00), which amount includes the costs related to PRA’s services and an estimate for just compensation for the purchase or condemnation of the identified properties. Commissioner Herbert Wetzel noted that he is an employee of the City Council and its approval would be a part of the agreement, so he therefore recused himself from participation in discussion or vote on this resolution, so as to avoid any possible conflict of interest. He left the room for this resolution. The resolution was then presented by Kyle Flood, Director – Development and Design. Following a motion to approve by Commissioner Camarda, as a member of the Policy and Planning Committee that reviewed the resolution, a second and discussion, including public comment, the motion was unanimously approved. Commissioner Wetzel then returned to the room.

The public comment period was then held, beginning at approximately 4:00 p.m., after which the meeting was adjourned by Chair Brown-Sow at approximately 4:15 p.m.

Respectfully submitted,



Barbara Adams
Secretary
Philadelphia Housing Authority

APPENDIX A

**THE PHILADELPHIA HOUSING AUTHORITY
MEETING OF THE BOARD OF COMMISSIONERS
12 S. 23rd St.
PHILADELPHIA, PA 19103
THURSDAY, MARCH 20, 2014, at 3 p.m.
AGENDA**

- A. Call to Order** Lynette M. Brown-Sow, Chair of the Board of Commissioners
The Philadelphia Housing Authority Board of Commissioners
- B. Remarks** Lynette M. Brown-Sow, Chair of the Board of Commissioners
Kelvin A. Jeremiah, President & CEO
- C. Approval of Minutes** of the Board Meeting held February 20, 2014, as distributed.
- D. New Business**
1. **RESOLUTION AUTHORIZING CONTRACTS WITH THE FOLLOWING FIVE VENDORS FOR VACANT PROPERTY CLEAN-OUT SERVICES: COUTURE CLEANING LLC; MILESTONE CONSTRUCTION AND MANAGEMENT LLC; DANIELS CONTRACTING OF PHILADELPHIA; PREMIER-CSI; AND TOTAL ENVIRONMENTAL CONCEPTS**

(Dinesh Indala)
 2. **RESOLUTION AUTHORIZING CONTRACTS WITH MILLIMAN, INC.; NEPC, LLC; AND DUANE MORRIS LLP FOR SUPPORT SERVICES FOR THE PENSION BOARD**

(Anthony F. Williams and Joanne Strauss)
 3. **RESOLUTION AMENDING THE DEFINED BENEFIT PLAN AND PROSPECTIVELY FREEZING IT FOR NON-REPRESENTED EMPLOYEES**

(Joanne Strauss)
 4. **RESOLUTION AUTHORIZING CONTRACTS WITH DEVINE BROTHERS, INC. AND CIRIGHT AUTOMATION LLC, D/B/A TRISTATE HVAC CONTROLS FOR BAS/SCADA/EMES MAINTENANCE AND REPAIR SERVICES**

(David Walsh)
 5. **RESOLUTION AUTHORIZING IMPLEMENTATION OF AN ENERGY PROCUREMENT STRATEGY, ENTERING INTO COOPERATIVE PURCHASING AGREEMENTS, AND CONTRACTING FOR THE PURCHASE OF ELECTRICITY**

(David Walsh and Nadine Young)

6. **RESOLUTION AUTHORIZING IMPLEMENTATION OF AN ENERGY PROCUREMENT STRATEGY, ENTERING INTO COOPERATIVE PURCHASING AGREEMENTS, AND CONTRACTING FOR THE PURCHASE OF NATURAL GAS**

(David Walsh and Nadine Young)

7. **RESOLUTION AUTHORIZING A CONTRACT AMENDMENT WITH SOVEREIGN SECURITY FOR SECURITY GUARD SERVICES**

(David Walsh and James Mitchell)

8. **RESOLUTION AUTHORIZING CONTRACT AMENDMENTS FOR INTERIOR UNIT PAINTING SERVICES WITH HISPANIC VENTURES, TORRADO CONSTRUCTION AND ASHLEY ENTERPRISES/M.F.O PAINTING**

(David Walsh and Dinesh Indala)

9. **RESOLUTION AUTHORIZING AN AGREEMENT WITH THE PHILADELPHIA REDEVELOPMENT AUTHORITY FOR EMINENT DOMAIN SERVICES**

(Kyle Flood)

E. Public Comment Period

RESOLUTION NO. 11684

RESOLUTION AUTHORIZING CONTRACTS WITH THE FOLLOWING FIVE VENDORS FOR VACANT PROPERTY CLEAN-OUT SERVICES: COUTURE CLEANING LLC; MILESTONE CONSTRUCTION AND MANAGEMENT LLC; DANIELS CONTRACTING OF PHILADELPHIA; PREMIER-CSI; AND TOTAL ENVIRONMENTAL CONCEPTS

WHEREAS, The Philadelphia Housing Authority ("PHA") has identified a need for vacant property clean-out services for its conventional and scattered sites properties, which is a federal requirement, and developed a solicitation for the selection of vendors, according to established procedures and all applicable laws regarding public contracts; and

WHEREAS, the Request for Proposal was mailed to the appropriate vendors on the PHA Bidders' List and distributed to those who responded to the invitation through the publications; and

WHEREAS, the proposals were reviewed and evaluated by the evaluation committee and the supporting documents were reviewed by the Contracting Officer; and

WHEREAS, based upon the consensus evaluation, it is recommended that contracts be awarded to the following five vendors: Couture Cleaning LLC; Milestone Construction and Management LLC; Daniels Contracting of Philadelphia; Premier-CSI; and Total Environmental Concepts; and

WHEREAS, it is recommended that contracts be awarded to the above-listed five vendors for a one-year base period with an option of two (2) additional one-year periods, with the aggregate amount of all five contracts for each of the one-year periods (the one-year base period and each of the two one-year option periods), not to exceed three hundred seventy thousand dollars (\$370,000.00), for a total contract amount for all contracts, if all options are exercised, not to exceed one million one hundred ten thousand dollars (\$1,110,000.00), to be allocated among the vendors as determined most appropriate by PHA, based on business need;

BE IT RESOLVED, that the PHA President & CEO or his authorized designee is hereby authorized to conclude and execute contracts with Couture Cleaning LLC; Milestone Construction and Management LLC; Daniels Contracting of Philadelphia; Premier-CSI; and Total Environmental Concepts, as set forth above, in a total contract amount not to exceed one million one hundred ten thousand dollars (\$1,110,000.00), subject to the availability of funds therefor, and to take all necessary actions relating to such contracts, including determining whether the options available under the contracts shall be exercised.

RESOLUTION NO. 2

RESOLUTION AUTHORIZING CONTRACTS WITH MILLIMAN, INC.; NEPC, LLC; AND DUANE MORRIS LLP FOR SUPPORT SERVICES FOR THE PENSION BOARD

WHEREAS, the Philadelphia Housing Authority ("PHA") has identified a need for the following services for its Pension Board: 1) an independent Certified Public Accountant, 2) investment consulting, and 3) legal support; and

WHEREAS, PHA has followed appropriate procurement practices, as detailed below, to secure such services; and

WHEREAS, PHA developed a solicitation for the selection of an actuarial with a proven track record with staff members formally trained in actuarial methods and processing adequate experience in all actuary services, as required by the PHA Pension Board, and to comply with the Single Audit Act Amendments of 1996 (P.L. 104-156), the provisions of the Office of Management and Budget Circular A-133 and the Code of Federal Regulations, sections 24 CFR § 5 (H) and § 902, to use an independent Certified Public Accountant to conduct an annual, organization-wide audit of both financial and compliance components of the agency; and

WHEREAS, the Request for Proposal for the Certified Public Accountant services was transmitted to the appropriate companies on the PHA Bidders' List and distributed to those who responded to the invitation through the advertisements; the proposals were reviewed and evaluated by the evaluation committee, and the supporting documents were reviewed by the Contracting Officer; and

WHEREAS, based upon the consensus evaluation of the Contracting Officer, it is recommended that a contract be awarded to Milliman, Inc. for the following term and in an amount not to exceed: one hundred sixty-six thousand three hundred seventeen dollars (\$166,317.00) for a two-year base period; eighty-nine thousand four hundred forty-six dollars (\$89,446.00) for option year one; and ninety-three thousand nine hundred eighteen dollars (\$93,918.00) for option year two, with the total contract amount, if all options are exercised, not to exceed three hundred forty-nine thousand six hundred eighty-one dollars (\$349,681.00); and

WHEREAS, PHA developed a solicitation to support its *Defined Benefits Plan*, for the selection of a qualified consultant to provide comprehensive general investment consulting advice and services to the administration of the pension by the PHA Pension Board, for investments in support of the Defined Benefits Plan; and

WHEREAS, PHA also developed a solicitation to support its *Defined Contributions Plan*, for the selection of a qualified consultant to provide comprehensive investment consulting services to the PHA Pension Board including portfolio analysis, investment planning, evaluation recommendations on legislation, statutory changes and other such related investment consulting as well as general education as requested by the PHA Pension Board, for investments in support of the Defined Contributions Plan; and

WHEREAS, the Requests for Proposal for the *Defined Benefits Plan* and the *Defined Contributions Plan* were mailed to the appropriate companies on PHA Bidders' List, distributed

to those who responded to the invitation through the advertisements; the proposals were reviewed and evaluated by the review committee, and the supporting documents were reviewed by the Contracting Officer; and

WHEREAS, based upon the evaluation of the Contracting Officer, it is recommended that a contract for investment services in support of the *PHA Defined Benefits Plan* be awarded to NEPC LLC, for the following term and in an amount not to exceed: three hundred forty-two thousand dollars (\$342,000.00) for a two-year base period; one hundred seventy-one thousand dollars (\$171,000.00) for option year one; and one hundred seventy-one thousand dollars (\$171,000.00) for option year two, with the total contract amount, if all options are exercised, not to exceed six hundred eighty-four thousand dollars (\$684,000.00); and

WHEREAS, based upon the consensus evaluation of the Contracting Officer, it is recommended that a contract for investment services in support of the *PHA Defined Contributions Plan* be awarded to NEPC LLC, for the following term and in an amount not to exceed: one hundred eighty thousand dollars (\$180,000.00) for a two-year base period; ninety thousand dollars (\$90,000.00) for option year one; and ninety thousand dollars (\$90,000.00) for option year two, with the total contract amount, if all options are exercised, not to exceed three hundred sixty thousand dollars (\$360,000.00); and

WHEREAS, PHA developed a solicitation for the selection of an attorney/law firm for legal support required in support of the administration of pensions by the PHA Pension Board, including, but not limited to: consultation, drafting, litigation and general legal advice; and

WHEREAS, the Request for Proposal was transmitted to the appropriate companies on the PHA Bidders' List and distributed to those who responded to the invitation through the advertisements; the proposals were reviewed and evaluated by the evaluation committee, and the supporting documents were reviewed by the Contracting Officer; and


WHEREAS, based upon the evaluation of the Contracting Officer, it is recommended that a contract for general legal services be awarded to Duane Morris LLP for the following term and in an amount not to exceed eighty-four thousand dollars (\$84,000.00) for a two-year base period and forty-two thousand dollars (\$42,000.00) for each of the three (3) one-year option periods, in a total amount, if all options are exercised, not to exceed two hundred ten thousand dollars (\$210,000.00);

BE IT RESOLVED, that the President & CEO or his authorized designee is hereby authorized to conclude and execute contracts, as set forth above, with Milliman, Inc, in a total amount not to exceed three hundred forty-nine thousand six hundred eighty-one dollars (\$349,681.00); NEPC LLC, in a total amount not to exceed six hundred eighty-four thousand dollars (\$684,000.00) for Defined Benefit Plan services and three hundred sixty thousand dollars (\$360,000.00) for Defined Contributions Plan services; and with Duane Morris LLP, in a total amount not to exceed not to exceed two hundred ten thousand dollars (\$210,000.00), subject to the availability of funds therefor, and to take all necessary actions relating to such contract, including determining whether the options available under the contracts shall be exercised.

I hereby certify that this was

APPROVED BY THE BOARD ON

3/20/2014


ATTORNEY FOR PHA

RESOLUTION NO. 11686

RESOLUTION AMENDING THE DEFINED BENEFIT PLAN AND PROSPECTIVELY FREEZING IT FOR NON-REPRESENTED EMPLOYEES

WHEREAS, the Philadelphia Housing Authority (“PHA”) originally adopted the PHA Retirement Income Plan (the “Defined Benefit Plan” or “DB Plan”) on November 1, 1952; and

WHEREAS, the DB Plan was restated twice, on November 1, 1984 and November 1, 2012, to clarify its terms and to comply with Federal legislation concerning defined benefit plans; and

WHEREAS, all employees hired after October 31, 2005 were participants in the PHA Defined Contribution Plan (the “DC Plan”), and in 2011, represented employees were voluntarily transitioned from the DB Plan to the DC Plan; and

WHEREAS, PHA wishes to amend the Average Earnings period under the DB Plan to prospectively freeze the DB Plan and transition enrollment for all current and active participants into the DC Plan;

BE IT RESOLVED, that the President & CEO or his authorized designee is hereby authorized to take all actions necessary to prospectively freeze the DB Plan, effective May 1, 2014, and to effectuate the following seven (7) amendments to the Retirement Plan and the DC Plan:

- 1) Each non-represented employee currently participating in the DB Plan will be given the opportunity to freeze participation in the DB Plan and enroll in the DC Plan. If an employee fails to affirmatively opt out of participating in the DC Plan in writing, within fifteen (15) days of notice, the proposed changes will take effect automatically.
- 2) Except as specifically noted with respect to employees electing to opt out of the proposed changes, the DB Plan shall be amended so that, for non-represented employees terminating on or after May 1, 2014, the definition of Average Earnings shall be the average rate of earnings beginning November 1, 2011 to October 31, 2013.
- 3) Non-represented employees who opt out of the proposed changes and remain in the DB Plan shall maintain the current computation period of November 1, 2000 to October 31, 2002; and shall continue to accrue benefits thereunder based on additional service.
- 4) Effective May 1, 2014, all non-represented employees (other than those who specifically elect to opt out of participating in the DC Plan) shall be enrolled in the DC Plan. Employees shall contribute 5.5% of their current rate of pay to the DC Plan.
- 5) Effective May 1, 2014, PHA shall contribute 3.5% of the current rate of pay of all active non-represented employees enrolled into the DC Plan as a result of this resolution.
- 6) Effective January 1, 2015, PHA shall contribute 4.5% of the current rate of pay of all active non-represented employees enrolled into the DC Plan as a result of this resolution.
- 7) Effective January 1, 2016, PHA shall contribute 5.5% of the current rate of pay of all active non-represented employees enrolled into the DC Plan as a result of this resolution.

I hereby certify that this was

APPROVED BY THE BOARD ON 3/20/2014

Barbara Adams, General Counsel
ATTORNEY FOR PHA

RESOLUTION NO. 11687

**RESOLUTION AUTHORIZING CONTRACTS WITH DEVINE BROTHERS, INC. CIRIGHT
AUTOMATION LLC, D/B/A TRISTATE HVAC CONTROLS FOR BAS/SCADA/EMES
MAINTENANCE AND REPAIR SERVICES**

WHEREAS, the Philadelphia Housing Authority (“PHA”) has identified a need for maintenance Building Automation Systems/Supervisory Control and Data Acquisition/Energy Management Expert Systems (BAS/SCADA/EMES), to include parts, repair, inspection, monitoring and testing, for various PHA locations, in accordance with federal requirements; and

WHEREAS, PHA developed a solicitation for the selection of vendors, according to established procedures and all applicable laws regarding public contracts; the Request for Proposal was mailed to the appropriate vendors on PHA Bidders’ List and distributed to those who responded to the invitation through the publications; the proposals were reviewed and evaluated by the evaluation committee; and the supporting documents were reviewed by the Contracting Officer; and

WHEREAS, based upon the consensus evaluation, it is recommended that a contract be awarded to the following two vendors: Devine Brothers, Inc. and Ciright Automation LLC, d/b/a TriState HVAC Controls; and

WHEREAS, it is recommended that the contracts be awarded to the above-listed two vendors for a two (2) year base period with three (3) additional one-year periods, with the aggregate amount of the two contracts, for the two-year base period, not to exceed seven hundred sixty two thousand four hundred dollars (\$762,400.00) and each one-year option period not to exceed three hundred eighty-one thousand two hundred dollars (\$381,200.00), for a total contract amount for both contracts, if all options are exercised, not to exceed one million nine hundred six thousand dollars (\$1,906,000.00), to be allocated among the vendors as determined by PHA to best address BAS/SCADA/EMES maintenance and repair services;

BE IT RESOLVED, that the President & CEO or his authorized designee is hereby authorized to conclude and execute contracts with Devine Brothers, Inc. and Ciright Automation LLC, d/b/a TriState HVAC Controls, subject to the availability of funds therefor, as set forth above, in a total contract amount not to exceed one million one nine hundred six thousand dollars (\$1,906,000.00), and to take all necessary actions relating to such contracts, including determining whether the options available under the contract shall be exercised.

I hereby certify that this was
APPROVED BY THE BOARD ON 3/20/2014
Barbara Adams, General Counsel
ATTORNEY FOR PHA

RESOLUTION NO. 5

RESOLUTION AUTHORIZING IMPLEMENTATION OF AN ENERGY PROCUREMENT STRATEGY, ENTERING INTO COOPERATIVE PURCHASING AGREEMENTS, AND CONTRACTING FOR THE PURCHASE OF ELECTRICITY

WHEREAS, the Philadelphia Housing Authority ("PHA") Sustainability Policy, adopted in Board Resolution No. 11552, directed PHA to procure an energy pricing and efficiency expert to advise on developing an energy procurement strategy and to advise on negotiation of new energy supply contracts; and

WHEREAS, pursuant to Board Resolution No. 11619, PHA contracted with Mondre Energy Inc. ("Consultant"), to obtain energy procurement advice and to assist PHA in procuring energy supplies on the best terms available for all of PHA's property types other than scattered sites; and

WHEREAS, Consultant has prepared a report recommending the best strategies for PHA's purchase of electricity and natural gas supplies (the "Consultant Report"), a summary of which is attached; and

WHEREAS, the Consultant Report recommends that PHA proceed expeditiously to competitively procure its required supplies of electricity and natural gas; and

WHEREAS, HUD regulations encourage the use of cooperative intergovernmental agreements for procurement or use of common goods and services; and

WHEREAS, the Consultant Report advises that PHA can benefit from the best available terms only if the President & CEO or his designee is able to review and accept or reject bids in less than one day, without the need for further Board approval; and

WHEREAS, under its contract, the Consultant will assist PHA in implementing the recommended procurement strategy, and will advise on bid solicitations, bidder qualifications and bids received, and contracts to be entered into, so that PHA can realize the best available terms; and

WHEREAS, it is in PHA's best interest to implement the strategy for electricity procurement, as recommended by the Consultant Report, in order to obtain the best available terms and to authorize the President & CEO, or his authorized designee, to act rapidly to conclude and execute contracts for supplies of electricity, and to issue purchase orders, price lock-ins and contract modifications (together "Electricity Purchase Commitments"), for the purpose of securing the best terms available in the market from time to time;

BE IT RESOLVED, that the PHA President & CEO or his authorized designee, is hereby authorized to take all actions necessary to implement the energy procurement strategy for electricity recommended by Consultant for all PHA accounts, other than scattered sites, in order to secure an electricity supply for PHA on the best terms then available in the market; and

BE IT FURTHER RESOLVED, that the President & CEO or his authorized designee is hereby authorized to proceed, with the Consultant's guidance, with a competitive bidding process and to enter into one or more intergovernmental cooperative purchasing agreements or programs for

electricity purchases in amounts up to the limit specified below, with such cooperative purchasing authority for electricity to be in addition to all cooperative purchasing authority previously authorized by the Board; and

BE IT FURTHER RESOLVED, that the authority granted to the PHA President & CEO or his authorized designee to act without further Board approval, as set forth above, in order to conclude and execute Electricity Purchase Commitments for PHA's electricity supply requirements, is subject to the following limitations:

- (a) the term of any such Electricity Purchase Commitment shall not exceed two (2) years;
- (b) the total amounts payable under all such Electricity Purchase Commitments in any fiscal year shall not exceed the budgeted amount for such fiscal year by more than 10% and therefore the maximum purchase amount (and maximum cooperative purchasing authority increase) for Fiscal Year 2015 shall be six million eighty-seven thousand nine hundred fifty-eight dollars (\$6,087,958.00);
- (c) the President & CEO or his designee shall provide quarterly reports to the Board on bid solicitations conducted and Electricity Purchase Commitments executed, with the first report of all actions taken before June 30, 2014 to be delivered to the Board no later than July 31, 2014; and
- (d) unless extended by the Board, this authorization shall terminate on March 31, 2016.

I hereby certify that this was
APPROVED BY THE BOARD ON 3/20/2014
Barbara Adams, General Counsel
ATTORNEY FOR PHA

SUMMARY OF MONDRE ENERGY PROCUREMENT STRATEGY REPORT

Dated Jan. 10, 2014

Under Contract No. P-004233, Mondre Energy Inc. ("Consultant") was procured to provide energy procurement advice and to assist PHA in procuring energy supplies on the best terms available for all of PHA's property types other than scattered sites.

The Consultant has prepared a report dated January 10, 2014 recommending the best strategies for PHA's purchase of both electricity and natural gas supplies (the "Consultant Report"). The Consultant Report recommended that PHA act quickly to issue bid solicitations for electricity and natural gas because market prices for those commodities were then at historically low levels (prices have risen since then due to the severe winter). The Consultant Report provides illustrations showing that PHA's current pricing for its energy supplies is higher than it would be if PHA conducted competitive bidding and advises that prices for electricity and natural gas are volatile and change daily; bids from suppliers are generally held open only for one day or less. Therefore, PHA can buy on the best available terms only if the President & CEO or his designee is able review and accept or reject bids in less than one day.

The Consultant's recommended energy procurement strategy is that PHA should: begin immediately to conduct competitive bidding for electricity and natural gas supplies; select suppliers on the basis of appropriate evaluation criteria, administrative fees, pipeline charges, and quoted unit pricing; act quickly to accept or reject bids while price quotes are held open; consider not only price but also the risks related to volume and contract term commitments; and negotiate and execute all contracts, purchase orders, price lock-ins, and contract modifications with the goal of securing the best available pricing while prudently managing energy pricing risk.

The Consultant contract requires the Consultant to assist PHA in implementing the recommended procurement strategy. Consultant will prepare bid solicitations for electricity and natural gas which will include criteria for the identification and prequalification of all viable Pennsylvania-licensed suppliers, and will specify the evaluation criteria; review bidder qualifications, proposed terms and conditions, and bids received; and make recommendations so that PHA will be in a position to accept or reject bids within the short time windows that bids are held open and therefore realize the best available terms.

After PHA selects qualified suppliers, whether through the bidding process or through cooperative purchasing agreements with other governmental agencies, Consultant will assist PHA in negotiating contracts. Actual purchase orders, price lock-ins and contract modifications will be executed from time to time by the President & CEO, or his authorized designee, when Consultant advises that market terms are optimal for PHA to make energy purchase commitments. With Consultant's advice, PHA will be able to select among options for volume, length of contract, frequency of purchases, simplicity of procurement procedures, and, of course, price.

The Consultant Report warns that it is not possible to predict whether energy prices will rise or fall at any time. A colder than expected winter, hotter than expected summer and/or general fluctuations in energy prices may result in actual expenses higher than PHA's budget or Consultant's estimates. But the Consultant Report advises that without a new energy procurement strategy, PHA will pay substantially more than the market price for electricity and natural gas; Consultant estimates that, if PHA follows Consultant's recommended procurement strategy, PHA may expect the following savings, after payment for Consultant's procurement services, as compared with PECO and PGW fixed-pricing:

- (a) for electricity by up to \$274,000 per year, and
- (b) for natural gas by up to \$174,000 per year.

RESOLUTION NO. 6

RESOLUTION AUTHORIZING IMPLEMENTATION OF A RECOMMENDED ENERGY PROCUREMENT STRATEGY, ENTERING INTO COOPERATIVE PURCHASING AGREEMENTS, AND CONTRACTING FOR THE PURCHASE OF NATURAL GAS

WHEREAS, the Philadelphia Housing Authority (“PHA”) Sustainability Policy, adopted in Board Resolution No. 11552, directed PHA to procure an energy pricing and efficiency expert to advise on developing an energy procurement strategy and to advise on negotiation of new energy supply contracts; and

WHEREAS, pursuant to Board Resolution No. 11619, PHA contracted with Mondre Energy Inc. (“Consultant”), to obtain energy procurement advice and to assist PHA in procuring energy supplies on the best terms available for all of PHA’s property types other than scattered sites; and

WHEREAS, the Consultant has prepared a report recommending the best strategies for PHA’s purchase of electricity and natural gas supplies (the “Consultant Report”), a summary of which is attached; and

WHEREAS, the Consultant Report recommends that PHA proceed expeditiously to competitively procure its required supplies of electricity and natural gas; and

WHEREAS, HUD regulations encourage the use of cooperative intergovernmental agreements for procurement or use of common goods and services; and

WHEREAS, the Consultant Report advises that PHA can benefit from the best available terms only if the President & CEO or his designee is able review and accept or reject bids in less than one day, without the need for further Board approval; and

WHEREAS, under its contract, the Consultant will assist PHA in implementing the recommended procurement strategy, and will advise on bid solicitations, bidder qualifications and bids received, and contracts to be entered so that PHA can realize the best available terms; and

WHEREAS, it is in PHA’s best interest to implement the strategy for natural gas procurement as recommended by the Consultant Report, in order to obtain the best available terms, and to authorize the President & CEO, or his authorized designee, to act rapidly to conclude and execute contracts for supplies of natural gas, and to issue purchase orders, price lock-ins and contract modifications (together “Natural Gas Purchase Commitments”), all for the purpose of securing the best terms available in the market from time to time;

BE IT RESOLVED, that the President & CEO or his authorized designee, is hereby authorized to take all actions necessary to implement the energy procurement strategy for natural gas recommended by Consultant for all PHA accounts other than scattered sites in order to secure natural gas supply for PHA on the best terms then available in the market; and

BE IT FURTHER RESOLVED, that the President & CEO or his authorized designee is hereby authorized to proceed, with the Consultant’s guidance, with a competitive bidding process and to enter into one or more intergovernmental cooperative purchasing agreements or programs for

natural gas purchases in amounts up to the limit specified below, with such cooperative purchasing authority for natural gas to be in addition to all cooperative purchasing authority previously authorized by the Board; and

BE IT FURTHER RESOLVED, that the President & CEO or his authorized designee is hereby authorized to act rapidly, without further Board approval, to conclude and execute Natural Gas Purchase Commitments for PHA's natural gas supply requirements, subject to the following limitations:

- (a) the term of any such Natural Gas Purchase Commitment shall not exceed two (2) years;
- (b) the total amounts payable under all such Natural Gas Purchase Commitments in any fiscal year shall not exceed the budgeted amount for such fiscal year by more than 10% and therefore the maximum purchase amount (and maximum cooperative purchasing authority increase) for Fiscal Year 2015 shall be six million one hundred thirty thousand eight hundred thirty-seven dollars (\$6,130,837.00);
- (c) the President & CEO or his designee shall provide quarterly reports to the Board on bid solicitations conducted and Natural Gas Purchase Commitments executed, with the first report of all actions taken before June 30, 2014 to be delivered to the Board no later than July 31, 2014; and
- (d) unless extended by the Board, this authorization shall terminate on March 31, 2016.

I hereby certify that this was
APPROVED BY THE BOARD ON 9/20/2014
Barbara Adams, General Counsel
ATTORNEY FOR PHA

SUMMARY OF MONDRE ENERGY PROCUREMENT STRATEGY REPORT
Dated Jan. 10, 2014

Under Contract No. P-004233, Mondre Energy Inc. ("Consultant") was procured to provide energy procurement advice and to assist PHA in procuring energy supplies on the best terms available for all of PHA's property types other than scattered sites.

The Consultant has prepared a report dated January 10, 2014 recommending the best strategies for PHA's purchase of both electricity and natural gas supplies (the "Consultant Report"). The Consultant Report recommended that PHA act quickly to issue bid solicitations for electricity and natural gas because market prices for those commodities were then at historically low levels (prices have risen since then due to the severe winter). The Consultant Report provides illustrations showing that PHA's current pricing for its energy supplies is higher than it would be if PHA conducted competitive bidding and advises that prices for electricity and natural gas are volatile and change daily; bids from suppliers are generally held open only for one day or less. Therefore, PHA can buy on the best available terms only if the President & CEO or his designee is able review and accept or reject bids in less than one day.

The Consultant's recommended energy procurement strategy is that PHA should: begin immediately to conduct competitive bidding for electricity and natural gas supplies; select suppliers on the basis of appropriate evaluation criteria, administrative fees, pipeline charges, and quoted unit pricing; act quickly to accept or reject bids while price quotes are held open; consider not only price but also the risks related to volume and contract term commitments; and negotiate and execute all contracts, purchase orders, price lock-ins, and contract modifications with the goal of securing the best available pricing while prudently managing energy pricing risk.

The Consultant contract requires the Consultant to assist PHA in implementing the recommended procurement strategy. Consultant will prepare bid solicitations for electricity and natural gas which will include criteria for the identification and prequalification of all viable Pennsylvania-licensed suppliers, and will specify the evaluation criteria; review bidder qualifications, proposed terms and conditions, and bids received; and make recommendations so that PHA will be in a position to accept or reject bids within the short time windows that bids are held open and therefore realize the best available terms.

After PHA selects qualified suppliers, whether through the bidding process or through cooperative purchasing agreements with other governmental agencies, Consultant will assist PHA in negotiating contracts. Actual purchase orders, price lock-ins and contract modifications will be executed from time to time by the President & CEO, or his authorized designee, when Consultant advises that market terms are optimal for PHA to make energy purchase commitments. With Consultant's advice, PHA will be able to select among options for volume, length of contract, frequency of purchases, simplicity of procurement procedures, and, of course, price.

The Consultant Report warns that it is not possible to predict whether energy prices will rise or fall at any time. A colder than expected winter, hotter than expected summer and/or general fluctuations in energy prices may result in actual expenses higher than PHA's budget or Consultant's estimates. But the Consultant Report advises that without a new energy procurement strategy, PHA will pay substantially more than the market price for electricity and natural gas; Consultant estimates that, if PHA follows Consultant's recommended procurement strategy, PHA may expect the following savings, after payment for Consultant's procurement services, as compared with PECO and PGW fixed-pricing:

- (a) for electricity by up to \$274,000 per year, and
- (b) for natural gas by up to \$174,000 per year.

RESOLUTION NO. 11690

RESOLUTION AUTHORIZING A CONTRACT AMENDMENT WITH SOVEREIGN SECURITY FOR SECURITY GUARD SERVICES

WHEREAS, The Philadelphia Housing Authority (“PHA”) had identified a need for uniformed unarmed and armed security guard services and, by Resolution No. 11622, adopted on June 20, 2013, the Board of Commissioners therefore authorized the award of a contract to Sovereign Security, as well as an identical contract to Scotland Security; and

WHEREAS, the contract with Sovereign Security was for a one (1) year base period with two (2) additional one-year option periods; with a limitation on expenditures, for each of the years (the base year and each of the two (2) one-year options thereafter), of nine hundred thirty thousand seven hundred twenty-six dollars and eighty-one cents (\$930,726.81); for a total contract amount not to exceed two million seven hundred ninety-two thousand one hundred eighty dollars and forty-three cents (\$2,792,180.43); and

WHEREAS, the PHA Police department had anticipated replacing the security guard services obtained under the contracts approved under Resolution 11622 with newly-hired PHA police work force, which expectation was factored into the per-year amount of the request that was approved in Resolution 11622; and

WHEREAS, the transition from contracted security to PHA police has not advanced as quickly as anticipated and there has been increased demand for heightened security, so that PHA used more contracted security than was anticipated during the first six-month period of the Sovereign contract that was approved in Resolution 11622; and

WHEREAS, PHA’s security needs require additional funding in order to ensure a safe and secure environment for its residents and staff, pending the addition of new recruits to the PHA police work force and other security options that are currently being considered; and

WHEREAS, it would be in the best interest of PHA to have the financial flexibility to use Sovereign Security to address PHA’s security needs, in addition to other options, and to therefore amend the contract approved in Resolution 11622 to allow PHA to access the total amount of funding approved for Sovereign, without a per year limit;

BE IT RESOLVED, that the PHA President & CEO or his authorized designee is hereby authorized to amend PHA’s contract with Sovereign Security, as entered into pursuant to Resolution 11622, which was approved by the Board of Commissioners on June 20, 2013, to be for the same contract period of one (1) year with a two (2) additional one-year option periods; for the same total contract amount, not to exceed two million seven hundred ninety-two thousand one hundred eighty dollars and forty-three cents (\$2,792,180.43); but without any yearly limitation on the contract expenditure amount, so that the contract, as commenced on June 30, 2013, may continue until such time as the not-to-exceed funding limit or the end of the contract term is reached, with the exercise of option years continuing to be at PHA’s discretion, as stated in Resolution 11622.

I hereby certify that this was
APPROVED BY THE BOARD ON 3/20/2014
Barbara Alderson, General Counsel
ATTORNEY FOR PHA

RESOLUTION NO. 11691

RESOLUTION AUTHORIZING CONTRACT AMENDMENTS FOR UNIT PAINTING SERVICES WITH HISPANIC VENTURES, TORRADO CONSTRUCTION AND ASHLEY ENTERPRISES/M.F.O PAINTING

WHEREAS, the Philadelphia Housing Authority ("PHA") had identified a need for Interior Unit Painting services, and by Resolution No. 11645, adopted on September 19, 2013, the Board therefore authorized the award of three identical contracts to Hispanic Ventures, Torrado Construction and Ashley Enterprises/M.F.O Painting ("Painting Contracts"); and

WHEREAS, the Painting Contracts were each for a one (1) year base period, in an amount not to exceed two hundred sixty-two thousand and five hundred dollars (\$262,500.00); a first option year in an amount not to exceed five hundred thousand dollars (\$500,000.00); a second option year in an amount not to exceed five hundred twelve thousand dollars (\$512,000.00); and a third option year in an amount not to exceed five hundred twenty-five thousand, five hundred dollars (\$525,500.00); with the total amount for each of the three contracts, if all options are exercised, not to exceed one million eight hundred thousand dollars (\$1,800,000.00) per contract and five million four hundred thousand dollars (\$5,400,000.00) for all three contracts; and

WHEREAS, when Board approval for the above-referenced three (3) contracts was obtained, in September of 2013, PHA anticipated only needing painting services for vacant units, with a frequency of twelve (12) vacant units per week; and

WHEREAS, PHA has required more painting services than anticipated in the first five (5) month period of the above-referenced three (3) contracts, because of painting required for occupied units and an increase in vacancy unit turnaround from 12 to 30 units per week; and

WHEREAS, PHA's maintenance needs require additional funding for painting services; and

WHEREAS, it would be in the best interest of PHA to have the financial flexibility to use the Painting Contracts to address PHA's requirements for painting services and to therefore amend the Painting Contracts to allow PHA to access the total amount of funding approved for the Painting Contracts as needed, without a per year limit;

BE IT RESOLVED, that the PHA President & CEO or his authorized designee is hereby authorized to amend PHA's contracts with Hispanic Ventures, Torrado Construction and Ashley Enterprises/M.F.O Painting, as entered into pursuant to Resolution 11645, which was approved on September 19, 2013, to be for the same contract period of one (1) year with three (3) additional one-year option periods; for the same total contract amount, not to exceed one million eight hundred thousand dollars (\$1,800,000.00) per contract; but without any yearly limitation on the contract expenditure amount, so that the contracts, as commenced on October 1, 2013, may continue until such time as the not-to-exceed funding limit or the end of the contract term is reached, with the exercise of option years continuing to be at PHA's discretion, as stated in Resolution 11645.

I hereby certify that this was
approved BY THE BOARD ON 3/20/2014
Barbara Adams, General Counsel
ATTORNEY FOR PHA

RESOLUTION NO. 11692

RESOLUTION AUTHORIZING AN AGREEMENT WITH THE PHILADELPHIA REDEVELOPMENT AUTHORITY FOR EMINENT DOMAIN SERVICES

WHEREAS, the Philadelphia Housing Authority (“PHA”) is considering undertaking a project (the “Blumberg Project”) for the revitalization of an area of Philadelphia located within the vicinity of 19th Street to the east, 27th Street to the west, South College Avenue/Poplar Street to the south, and Cecil B. Moore Avenue to the north (the “Project Site”); and

WHEREAS, the Blumberg Project will promote the health and welfare of the citizens of Philadelphia by providing safe and sanitary dwelling accommodations for persons of low-income through construction of new housing and will provide for related mixed-use development; and

WHEREAS, in order to assemble the site for the Blumberg Project, PHA desires to acquire up to one thousand (1,000) properties, pursuant to Sections 1550 (m) and (n) of the Housing Authorities Law, 35 P.S. §§ 1550(m),1550(n), which authorizes PHA to acquire properties by purchase or eminent domain for the public purposes set forth in the Housing Authorities Law, which would include acquisition of the properties for the Blumberg Project; and

WHEREAS, due to the expertise and resources of the Philadelphia Redevelopment Authority (“PRA”) in acquiring property, particularly through eminent domain, PHA wishes to designate the Redevelopment Authority as its agent pursuant to an interagency agreement and the Redevelopment Authority has agreed to accept such designation and act as PHA’s agent in acquiring the Properties, in the name of PHA;

BE IT RESOLVED, that the Philadelphia Housing Authority’s Board of Commissioners hereby authorizes the President & CEO to conclude and execute an interagency agreement with the Philadelphia Redevelopment Authority in accordance with the terms and conditions set forth in this resolution, for the condemnation and acquisition of up to one thousand (1,000) properties and to expend PHA funds in an amount not to exceed forty-four million dollars (\$44,000,00.00) for both PRA’s services and to compensate the property owners for the purchase or condemnation of the properties needed for the Blumberg Project.

I hereby certify that this was
APPROVED BY THE BOARD ON 3/20/2014
Barbara Adams, General Counsel
ATTORNEY FOR PHA