



Agency 26

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

August 12, 1981

CITY MANAGER'S OFFICE
RECEIVED
AUG 12 1981

City Council of the
City of Sacramento
Sacramento, CA

Honorable Members in Session:

SUBJECT: Report on Request of Franklin D. R. Everett,
General Contractor

SUMMARY

Mr. Franklin Everett has requested that he be heard before the City Council to appeal an action taken by the Sacramento Housing and Redevelopment Agency, which has caused Mr. Everett to be removed from the Approved Rehabilitation Program Contractor List. This report outlines the contractor screening and monitoring responsibility of the Agency and the reasons for which Mr. Everett has been removed from the Contract List.

BACKGROUND

The Agency has developed a method for screening all contractor applicants and establishing a list of approved contractors. This process includes:

Screening:

1. Receipt of application from contractor.
2. Verification from State License Board of a valid and suspension-free contractor's license.
3. Statement from the Better Business Bureau regarding any complaints.
4. Statements from listed creditors, material suppliers and financial institutions.
5. Response from homeowners identified by the contractor as to owner satisfaction on any previous job.

FILED
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Date 8/18/81

Cont 40 9-1-81

8-18-81
All Districts

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

City Council of the
City of Sacramento
Page Two

August 12, 1981

First Job Review:

Once the above screening process is completed, the contractor is placed on the Agency bid list for rehabilitation work. A new contractor is awarded on job initially. This first job is evaluated upon completion and if the job had been judged to be acceptable and the work completed in a timely manner, that contractor is allowed to bid on other Agency jobs.

Existing List:

There are currently 87 contractors on the Agency List. Fifty-seven have been approved. The remainder are waiting final verifications. There are nine minority contractors.

Contractor Monitoring:

Not only has the Agency been given the responsibility to initiate a screening process to obtain qualified contractors, but has also been charged with the responsibility to closely monitor all rehabilitation jobs and to take the appropriate action to remove from the Contractor List, those contractors who continually show slow progress on the completion of their work, those who produce poor quality work, and those who generally cause job problems.

The Agency to date has removed seven contractors from the approved list. The major reasons for removal have been poor quality work and the consistent inability to meet contract commitments.

CONTRACTOR REMOVAL

Due to his lack of diligence in the prosecution of his work on the June Siebert case along with similar difficulties on six other Agency rehabilitation jobs, Mr. Everett was notified on February 24, 1981 that he was being removed from the Agency Contractor List.

There was a great deal of difficulty in the Owner/Contractor relationship on the Sibert job and there were many attempts by the Agency to mediate and settle those difficulties. Those problems ultimately resulted in an arbitration hearing conducted by Mr. Van Schaik of Construction Consultants. During the initial arbitration hearing on April 23, 1981, Mr. Van Schaik ordered Mr. Everett to complete all remaining

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

City Council of the
City of Sacramento
Page Three

August 12, 1981

Contractor Removal - continued

work by June 4, 1981. At a second hearing on June 8, 1981, it was determined that Mr. Everett did not fulfill his obligation and it was the opinion of the arbitrator that the contractor was totally remiss in the prosecution of his work. The final action of the arbitrator was to determine damages and financial responsibilities of both parties. The arbitrator also ordered the termination of Mr. Everett's contract as of 8:00 p.m. on June 16, 1981. The Agency has since assisted the homeowner in locating another contractor to complete the work left undone.

RECOMMENDATION

Due to the continued lack of diligence in the performance of his work, it is the recommendation of the Agency that Mr. Everett's construction firm remain off of the approved rehabilitation contractor list.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Interim Executive Director

TRANSMITTAL TO COUNCIL:

Walter J. Slipe
WALTER J. SLIPE
City Manager