

**HOUSING AUTHORITY OF NEW ORLEANS  
BOARD OF COMMISSIONERS  
REGULAR MEETING  
SEPTEMBER 27, 2016**

**RESOLUTION NO. 2016-23**

**WHEREAS**, the Housing Authority of New Orleans (HANO) procured a contractor in 2013 to build 52 affordable housing units at the site of the former Florida public housing development (Project); and

**WHEREAS**, the contractor and its bonding company failed to complete the Project; and

**WHEREAS**, HANO notified the bonding company of its intent to assume control of the project on June 29, 2016 in order to perform the corrective and punch list work necessary to occupy the units; and

**WHEREAS**, the Finance Department has certified there is sufficient funding to provide for the Completion and Corrective Work at the Florida Avenue New Affordable Housing Units; and

**WHEREAS**, HANO issued Invitation for Bids (IFB) #16-912-41 to procure a contractor to complete the corrective work at the Florida Avenue New Affordable Housing Units ; and

**WHEREAS**, one response to the Invitation for Bids #16-912-41 for the Completion and Corrective Work at the Florida Avenue New Affordable Housing Units was received on September 9, 2016 from Colmex Construction, LLC; and

**WHEREAS**, Colmex Construction, LLC submitted evidence of their commitment to comply with HANO's requirements relative to subcontracting opportunities for DBE/WBE and Section 3 Businesses and hiring opportunities for Section 3 individuals; and

**WHEREAS**, HANO has successfully completed due diligence verification and determined they are responsible; and

**WHEREAS**, it is recommended that approval be given to award a contract to Colmex Construction, LLC in the amount of One Million Seven Hundred Thousand Dollars (\$1,700,000.00) for the completion of 52 units at the Florida Avenue New Affordable Housing Units.

**THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of the Housing Authority of New Orleans hereby authorizes the award of a contract to Colmex Construction, LLC in the amount of One Million Seven Hundred Thousand Dollars (\$1,700,000.00), pursuant to Request for Quotes #16-912-41.

Executed this 27<sup>th</sup> day of September, 2016

**APPROVAL:**



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**DWAYNE G. BERNAL  
PRESIDENT, BOARD OF COMMISSIONERS**



**September 27, 2016**

**MEMORANDUM**

**To: Board of Commissioners  
President Dwayne G. Bernal, Vice President Alice Riener,  
Commissioner Toni Hackett Antrum, Commissioner Donna Johnigan,  
Commissioner Debra Joseph, Commissioner Andreanecia M. Morris,  
Commissioner Vonda Rice and Commissioner Cantrese Wilson**

**Through Gregg Fortner  
Executive Director**

**From: Jennifer Adams  
Director, Development and Modernization**

**Re: Award of Contract - RFQ #16-912-41 - Completion and Corrective Work at the  
Florida Avenue New Affordable Housing Units**

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In 2013, the Housing Authority of New Orleans (HANO) awarded the contract for the construction of 52 affordable housing rental units at the Florida Avenue Development to Parkcrest Builders, LLC (Contractor). The Contractor was obligated to deliver 52 residential rental units and all associated infrastructure by September 2014. The Contractor missed the original completion date as well as an extended contract date. On April 10, 2015, HANO sent a Notice of Final Default and Termination to Parkcrest Builders LLC and requested that the Contractor's surety company, Liberty Mutual (Surety), fulfill its obligation to complete the project. HANO signed a Takeover Agreement with the Surety, effective June 9, 2015, to restart work on the project after termination of the Contractor. The Surety rehired Parkcrest Builders to complete the work on the Surety's behalf with a new completion date established. However, the Surety did not complete the project in accordance with construction documents and failed to achieve substantial completion by the date established. Although Certificates of Use and Occupancy had been obtained, the Surety failed to address final punch list items and resolve code compliance issues relative to all 52 units. HANO sent notice to the Surety on June 29, 2016 that it would assume control of the project and procure a contractor to complete the outstanding items. Subsequently, the Surety provided notice that they would abandon the project on July 1, 2016.

HANO developed a scope of work to complete the remaining punch list items and code compliance issues. Invitation for Bids #16-912-41 for the Completion and Corrective Work at the Florida Avenue New Affordable Housing Units was released on August 12, 2016. Bids were opened on September 9, 2016. HANO received one (1) bid for \$1,700,000.00 from Colmex Construction, LLC. The budget for the project was \$1,500,000.00. The contract duration is 122 days.

## **CERTIFICATIONS**

### **Finance**

The Finance Department has certified that the funds are available to complete the project using a combination of Capital and FEMA funds.

### **Procurement**

The Procurement Manager has certified that this procurement was conducted in accordance with all applicable Federal and State regulations and laws, and in accordance with HANO's procurement policy. The results of the due diligence indicate that the bidder is responsible. Colmex Construction, LLC submitted the lowest, responsive and responsible bid. The Procurement Memo is part of this packet.

### **DBE/WBE/Section 3**

The Section 3 / MWBE Program Coordinator has reviewed the Employment, Training and Contracting Plans submitted by Colmex Construction, LLC and finds them to be in accordance with HANO's Employment, Training and Contracting Policy. Because the duration of the contract is less than six months, there is no Section 3 training requirement. The plans are part of this packet.

HANO requests that the Board of Commissioners authorize the Executive Director to execute a contract with Colmex Construction, LLC for the Completion and Corrective Work at the Florida Avenue New Affordable Housing Units in the amount of One Million Seven Hundred Thousand Dollars (\$1,700,000.00), pursuant to Invitation for Bids #16-912-41.