

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
MARCH 9, 2017**

RESOLUTION NO. 2017-04

WHEREAS, the Guste Homes Phase III project will consist of 155 rental units, which includes 99 public housing/low-income housing tax credit units, 10 public housing only units, and 46 Project-Based Voucher units (Project); and

WHEREAS, the Housing Authority of New Orleans (HANO) procured a contractor in 2013 to build the Project (Contract #13-912-13; Guste III New Affordable Housing Units, between HANO and Parkcrest Builders, LLC); and

WHEREAS, the contractor failed to perform under the contract and was terminated by HANO on April 10, 2015; and

WHEREAS, HANO notified the contractor's surety, Liberty Mutual, of its obligation to complete the project and entered into a Takeover Agreement to that effect on June 9, 2015; and

WHEREAS, the surety missed all the construction deadlines under the Takeover Agreement, and ultimately the surety abandoned the project on August 9, 2016 before completion; and

WHEREAS, the Board of Commissioners of the Housing Authority of HANO authorized the award of a contract 16-912-34 for the completion of the first 10 units (Group 1) through Resolution #2016-21; and

WHEREAS, the Board of Commissioners of the Housing Authority of HANO authorized the award of a contract 16-912-55 for the completion of the next 12 units (Group 2) through Resolution #2016-35; and

WHEREAS, HANO staff will be requesting the Board of Commissioners to authorize the award of at least 3 additional contracts for the completion of 133 units; and

WHEREAS, HANO requires additional capacity to monitor the contracts for the completion of the remaining 133 units, including tracking of unit prices and documenting the previous contractor's defective work; and

WHEREAS, the Finance Department has certified there is sufficient funding to provide for the construction quality control consultant services; and

WHEREAS, HANO issued Request for Proposals (RFP) #17-912-04 on Wednesday, January 11, 2017 to procure a firm to provide construction quality control services for Guste III Group 3-7 completion and corrective work; and

WHEREAS, Four (4) proposals were received on Monday, February 13, 2017; and

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WHEREAS, HANO conducted evaluations of proposals submitted by each firm, establishing ECM Consultants, Inc. as the highest ranked proposal in response to the solicitation; and

WHEREAS, HANO has successfully completed due diligence verification on ECM Consultants, Inc.; and

THEREFORE BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans authorizes the Executive Director to award a contract to ECM Consultants, Inc. to provide construction quality control consultant services for Guste III Group 3-7 Completion and Corrective Work in an amount not to exceed One Hundred Eighty-nine Thousand Seven Hundred Forty-eight Dollars and Sixty-four Cents (\$189,748.64) pursuant to RFP #17-912-04.

Executed this 9th day of March, 2017

APPROVAL:



ALICE RIENER
PRESIDENT, BOARD OF COMMISSIONERS



March 9, 2017

MEMORANDUM

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

**Through Gregg Fortner
Executive Director**

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

**Re: Award of Contract - RFP #17-912-04
Construction Quality Control Consultant Services for Guste III Group 3-7
Completion and Corrective Work**

In 2013, the Housing Authority of New Orleans (HANO) awarded the contract for the construction of 155 mixed-income housing rental units at the Guste III redevelopment site in Central City to Parkcrest Builders (Contractor). The Contractor was obligated to deliver 155 residential rental units in seven groups between October 2014 and March 26, 2015. The Contractor missed all of the completion dates. On April 10, 2015, HANO sent a Notice of Final Default and Termination to the Contractor 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 the Contractor to complete the work on the Surety's behalf with new completion dates for the seven groups between July and November 2015. The Surety missed all of the completion dates. Because of the Surety's failure to address code compliance and punch list issues within the 10 units for which they had obtained Certificates of Occupancy, HANO sent notice to the Surety that HANO would assume control of the first 10 units on July 15, 2016 and procure a contractor to complete the outstanding items so that the units could be occupied. Subsequently, with 10 of 155 Certificates of Occupancy obtained, the Surety provided notice that as of August 9, 2016 they would abandon the project.

The Board of Commissioners has approved contracts for the completion of groups 1(10 units) and 2 (12 units). HANO staff will request the Board of Commissioners to authorize the award of at least 3 additional contracts for the completion of the remaining 133 units, which work is expected to continue through most of 2017. HANO previously monitored construction progress with its own staffing. After the departure of its primary on-site construction monitor in 2016, HANO recognized the need for additional capacity to monitor the completion work due to the following factors: (1) the number of contracts that need to be monitored; (2) the complexity of the contracts, including the reconciliation of unit prices on a unit-by-unit basis; (3) the time constraints under

which the work must be completed; (4) the extent to which HANO must document the construction defects of the previous contractor in anticipation of future litigation; (5) the request from project investors to add a neutral party (other than owner, architect, and contractor) to assist with the administration of the project.

Housing Authority of New Orleans (HANO) issued a Request for Proposals (RFP) #17-912-04 on Wednesday, January 24, 2017 for the purpose of procuring a firm to provide construction quality control services for Guste III Group 3-7 Completion and Corrective Work. A total of four (4) proposals were received on Monday, February 13, 2017.

In accordance with the evaluation process outlined in the RFP, an evaluation committee was established to review the proposals received in response to the solicitation. On Monday, February 20, 2017, the evaluation committee met to evaluate and score proposals. The ranking of the respondents is as follows:

<u>Firm Name</u>	<u>Score</u>
ECM Consultants, Inc.	87
Ozanne Construction Company	80
ABM Enterprises, Inc.	67
Noriek Constructors LLC	33

The budget for the services is \$231,612.00. The cost proposal provide by the highest ranked respondent was \$189,748.64. Therefore, it is recommended that HANO award a contract to the highest ranked respondent, ECM Consultants, Inc.

CERTIFICATIONS

Finance

The Finance Department has certified that the funds are available to complete the project from HANO 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 respondent is responsible. ECM submitted the lowest, responsive and responsible bid. The procurement memo is in your packet.

DBE/WBE/Section 3

The Section 3 / MWBE Program Coordinator has reviewed the Employment, Training and Contracting Plans submitted by ECM and finds them in accordance with HANO's Employment, Training and Contracting Policy. The plans are in your packet.

The Board of Commissioners is hereby requested to authorize the Executive Director to award a contract to ECM Consultants, Inc. to provide construction quality control consultant services for Guste III Group 3-7 Completion and Corrective Work in an amount not to exceed One Hundred Eighty-nine Thousand Seven Hundred Forty-eight Dollars and Sixty-four Cents (\$189,748.64).