

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
MAY 31, 2017**

RESOLUTION NO. 2017-08

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 II 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, the Board of Commissioners of the Housing Authority of HANO authorized the award of a contract 16-912-62 for the completion of the next 49 units (Group 7) through Resolution #2017-02; and

WHEREAS, the Board of Commissioners of the Housing Authority of HANO authorized the award of a contract 17-912-02 for the completion of the next 42 units (Group 3-4) through Resolution #2017-03; and

WHEREAS, HANO developed a scope of work to complete the 42 units (Group 5-6) for occupancy; and

WHEREAS, the Finance Department has certified there is sufficient funding to provide for the Completion and Corrective Work at the Guste III Housing Development Group 5-6; and

WHEREAS, HANO issued Invitation for Bids (IFB) #17-912-11 to procure a contractor to complete the corrective work at the Guste III Housing Development Group 5-6; and

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WHEREAS, responses to the IFB #17-912-11 for the Completion and Corrective Work at the Guste III Housing Development Group 5-6 were received on May 16, 2017 from one (1) contractor, Colmex Construction, LLC; and

WHEREAS, in that only one (1) bid was received, which was over the in-house cost estimate, a cost analysis was performed, and based on a review of the contractor's Schedule of Values, the complexity of the work to be performed, timeframe for completion, and the necessity of occupy units, the contractor' base bid amount of \$3,499,700.00 was determined to be reasonable; 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.

THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of New Orleans hereby authorizes the award of the contract to Colmex Construction, LLC in an amount not to exceed Three Million Four Hundred Ninety-nine Thousand Seven Hundred Dollars (\$3,499,700.00) for the Completion and Corrective Work at the Guste III Housing Development Group 5-6, pursuant to IFB #17-912-11.

Executed this 31st day of May, 2017

APPROVAL:



ALICE RIENER
PRESIDENT, BOARD OF COMMISSIONERS



May 31, 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 - IFB #17-912-11
Completion and Corrective Work at the Guste III Housing Development
Group 5 - 6

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.

HANO developed a scope of work to complete the remaining punch list items for the first 10 units on site, procured a contractor, and tenants occupied those units in October 2016. Three separate contracts are underway for the completion of 12 units, 42 units, and 49 units, Groups 2, Group 3-4, and Group 7, respectively.

The scope of work for IFB #17-912-11 is for the completion of 42 units located in 16 buildings, also called Group 5 and Group 6. These are the last 2 groups that will be contracted for completion. In accordance with all applicable Federal and State regulations and laws, and in

accordance with HANO's procurement policy, Invitation for Bids (IFB) #17-912-11 for the Completion and Corrective Work at the Guste III Housing Development Group 5-6 was released on April 13, 2017 and bids were opened on May 16, 2017. HANO received one (1) bid for \$3,499,700.00 from Colmex Construction, LLC. The budget for the project was \$3,000,000.00. In that only one (1) bid was received, which was over the in-house cost estimate, a cost analysis was performed. Based on a review of the contractor's Schedule of Values, the complexity of the work to be performed, timeframe for completion, and the necessity of occupy units, the contractor's base bid amount of \$3,499,700.00 was determined to be reasonable. The contract duration is 120 days.

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 bidder is responsible. Colmex Construction, LLC 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 Colmex Construction, LLC and finds them in accordance with HANO's Employment, Training and Contracting Policy. Because the duration of the contract is less than 180 days, the training component of the plan is not applicable. The plans are in your 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 Guste III Housing Development Group 5-6 in an amount not to exceed Three Million Four Hundred Ninety-nine Thousand Seven Hundred Dollars (\$3,499,700.00), pursuant to Invitation for Bid #17-912-11.