

**HOUSING AUTHORITY OF NEW ORLEANS
BOARD OF COMMISSIONERS
REGULAR MEETING
AUGUST 30, 2016**

RESOLUTION NO. 2016-21

WHEREAS, the Guste Homes Phase III project planned for the construction 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, Guste Homes III, LLC (Owner), with Crescent Affordable Housing Corporation (CAHC) as its managing member, will re-develop the Project on behalf of HANO; and

WHEREAS, the Housing Authority of New Orleans (HANO) procured a contractor in 2013 to build the 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 first 10 units (Group I) on June 15, 2016 in order to perform the corrective and punch list work necessary to allow occupancy of the units; 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 I; and

WHEREAS, HANO issued Request for Quotes (RFQ) #16-912-34 to procure a contractor to complete the corrective work at the Guste III Housing Development – Group I; and

WHEREAS, responses to the Request for Quotes #16-912-34 for the Completion and Corrective Work at the Guste III Housing Development – Group I were received on August 10, 2016 from one (1) contractor, 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 an amount not to exceed One Hundred Sixty-Nine Thousand Two Hundred and Fifteen Dollars (\$169,215.00) for the completion of 10 units (Group 1) at the Guste III Housing Development.

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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 One Hundred Sixty-Nine Thousand Two Hundred and Fifteen Dollars (\$169,215.00) for the Completion and Corrective Work at the Guste III Housing Development – Group1, pursuant to Request for Quotes #16-912-34.

Executed this 30th day of August, 2016

APPROVAL:



DWAYNE G. BERNAL *Alice Rianer, Vice President*
PRESIDENT, BOARD OF COMMISSIONERS



August 30, 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 -
Completion and Corrective Work at the Guste III Housing Development –
Group I

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 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 items for the first 10 units on site. In accordance with all applicable Federal and State regulations and laws, and in accordance with

HANO's procurement policy, Request for Quotes #16-912-34 for the Completion and Corrective Work at the Guste III Housing Development – Group 1 was released on July 22, 2016 and quotes were opened on August 10, 2016. HANO received one (1) quote for \$169,215.00 from Colmex Construction, LLC. The budget for the project was \$133,120.00. The contract duration is 45 days.

CERTIFICATIONS

Finance

The Finance Department has certified that the funds are available to complete the project from Low Income Housing Tax Credit Equity.

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 compliance 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 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 I in an amount not to exceed One Hundred Sixty-Nine Thousand Two Hundred and Fifteen Dollars (\$169,215.00), pursuant to Request for Quotes #16-912-34.