

**HOUSING AUTHORITY OF NEW ORLEANS  
BOARD OF COMMISSIONERS  
ANNUAL MEETING  
DECEMBER 13, 2016**

**RESOLUTION NO. 2016-35**

**WHEREAS**, the Guste Homes Phase III project provides 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 (Tenant), with Crescent Affordable Housing Corporation (CAHC) as its managing member, will re-develop the Project on behalf of the Housing Authority of New Orleans (HANO); and

**WHEREAS**, HANO procured a contractor in 2013 to build the Project; and

**WHEREAS**, the contractor failed to perform under the contract and was terminated by HANO; and

**WHEREAS**, HANO notified the surety and turned the Project over and ultimately the surety abandoned the project 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); and

**WHEREAS**, HANO developed a scope of work to prepare 12 units (Group 2) 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 2; and

**WHEREAS**, HANO issued Request for Quotes (RFQ) #16-912-55 to procure a contractor to complete the corrective work at the Guste III Housing Development – Group 2; and

**WHEREAS**, responses to the Request for Quotes #16-912-55 for the Completion and Corrective Work at the Guste III Housing Development – Group 2 were received on November 29, 2016 from one (1) contractor, Colmex Construction, LLC; and

**WHEREAS**, the budget for the project was \$122,000.00. In that only one (1) quote 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 to occupy units, the contractor's base bid amount of \$256,700.12 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; and

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**WHEREAS**, it is recommended that approval be given to award a contract to Colmex Construction, LLC in an amount not to exceed Two Hundred Fifty-Six Thousand Seven Hundred Dollars and Twelve Cents (\$256,700.12) for the completion of 12 units (Group 2) at the Guste III Housing Development.

**THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of the Housing Authority of New Orleans hereby authorizes the Executive Director to execute a contract with Colmex Construction, LLC in an amount not to exceed Two Hundred Fifty-Six Thousand Seven Hundred Dollars and Twelve Cents (\$256,700.12) for the Completion and Corrective Work at the Guste III Housing Development – Group1, pursuant to Request for Quotes #16-912-55.

**Executed this 13<sup>th</sup> day of December, 2016**

**APPROVAL:**



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



December 13, 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 #16-912-55 - Completion and Corrective Work at the  
Guste III Housing Development – Group 2

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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 punch list items for the first 10 units on site, procured a contractor, and tenants occupied those units in October 2016. The scope of work for Group 2 was drafted to prepare the next 12 units for occupancy. In accordance with all applicable Federal and State regulations and laws, and in accordance with HANO's procurement policy, Request for Quotes #16-912-55 for the Completion and Corrective Work at the Guste III Housing Development – Group 2 was released on November 1, 2016 and quotes were opened on November 29, 2016. HANO received one (1) quote for \$256,700.12 from Colmex Construction, LLC. The budget for the project was \$122,000.00. In that only one (1) quote 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 to occupy units, the contractor's base bid amount of \$256,700.12 was determined to be reasonable. It was also determined to reject Add Alternate #1 in the amount of \$57,000.00.

The contract duration is 45 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 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 2 in an amount not to exceed Two Hundred Fifty-Six Thousand Seven Hundred Dollars and Twelve Cents (\$256,700.12), pursuant to Request for Quotes #16-912-55.