

SPECIAL SESSION EXPANDED AGENDA

APRIL 21, 2023

YouTube Link: <https://youtube.com/live/aSxF1EFYn7Q?feature=share>

HOC's offices are now open to the public. The public is invited to attend HOC's April 21, 2023 Special Session in-person. HOC's Board of Commissioners and staff will continue to participate through a hybrid model (a combination of in-person online participation).

		Res.#
11:30 a.m. (pg. 2)	I. <u>ITEMS REQUIRING DELIBERATION and/or ACTION</u> A. HOC Headquarters: Approval of the Selection of the General Contractor, Authorization of the Executive Director to Execute an Early Start Agreement with the General Contractor, Approval of the Reallocation of Savings to the Existing Predevelopment Budget to Fund the Early Start, Approval of the Selection of the Third-party Testing Contractor, and Approval of the Budget for the Third-party Testing Contractor.	23-28 (pg.18)
12:30 p.m.	<u>ADJOURN</u>	

HOC HEADQUARTERS: APPROVAL OF THE SELECTION OF THE GENERAL CONTRACTOR;
AUTHORIZATION OF THE EXECUTIVE DIRECTOR TO EXECUTE AN EARLY START AGREEMENT WITH
THE GENERAL CONTRACTOR, APPROVAL OF THE REALLOCATION OF SAVINGS TO THE EXISTING
PREDEVELOPMENT BUDGET TO FUND THE EARLY START, APPROVAL OF THE SELECTION OF THE
THIRD-PARTY TESTING CONTRACTOR, AND APPROVAL OF THE BUDGET FOR THE THIRD-PARTY
TESTING CONTRACTOR
PURPOSE-BUILT HEADQUARTERS



CHELSEA J. ANDREWS, EXECUTIVE DIRECTOR

**Zachary Marks, Chief Real Estate Officer
Marcus Ervin, Director of Development
Jay Shepherd, Housing Acquisitions Manager**

April 21, 2023

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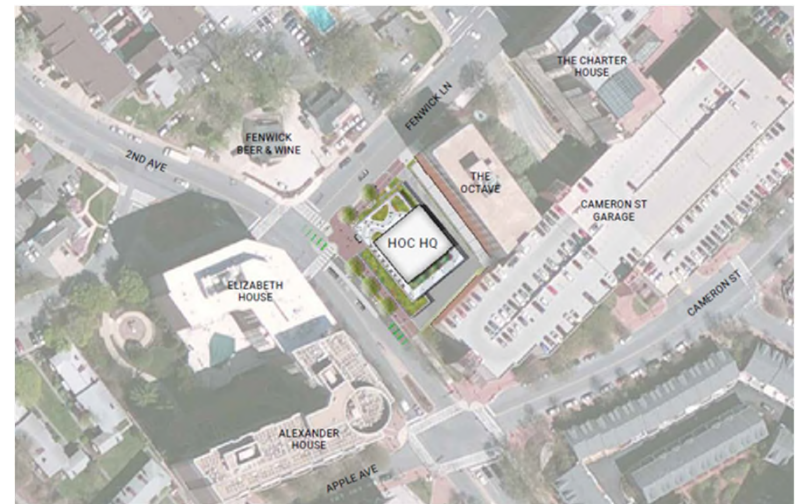
Executive Summary

The Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission"), a public body subject to the statutory provisions for mandatory referral review under Sections 20-301, et. of the Land Use Article of the Maryland Code (2012, as amended), is planning to construct its new headquarters office building ("Building" or "HOC HQ") at the southeast corner of the intersection of Second Avenue and Fenwick Lane in Downtown Silver Spring.

The proposed nine (9) story building is designed with the top floor as a +/- 3,500 square foot amenity floor for all building occupants. The main entrance to the lobby is at the corner of Fenwick Lane & Second Avenue. Overall building height is set to be approximately 132 feet. On April 3, 2019, HOC authorized the Executive Director to execute a Development Agreement and Ground Lease with Promark for the joint development of Property, engaged Design Collective, Inc. for architectural services to design and entitle, and administer construction for the HOC HQ, and subsequently on May 6, 2020, approved pursuing site development approval for the New HQ under Mandatory Referral.

On August 7, 2020, the first application of the two-step Mandatory Referral process, the Location Review Application, was submitted to Montgomery County Planning Board, and on November 12, 2020, it was unanimously approved. Subsequently, the Mandatory Referral Site Design and Architecture Application was approved on April 15, 2021,

and the Administrative Subdivision Plan was approved on May 17, 2021. On May 4, 2022, the Commission approved a revised total predevelopment budget of \$5,020,756 for the design and entitlement of the New HQ and the Approval of the Construction Manager to negotiate and enter into a contract with JLL for construction management services that obligates HOC only for the pre-construction phase. **Currently, the design team has completed Construction Development documents, and submitted for Building Permits, with the goal of finalizing permitting and starting construction in Quarter 3 2023.**



Executive Summary

1) General Contractor Selection

The design team completed Construction Development documents and submitted them for Building Permits, which are expected in July 2023. Staff are working on the Final Development and Financing Plans and will return to the Commission in September 2023. In addition, through RFP #2340, staff solicited a request for general contracting services to construct HOC HQ, including an advance review of the Contracts and Early Start Agreement drafts.

Resolution Required: Approval to select Paradigm Contractors, LLC as the General Contractor (“GC”) and authorize the Executive Director to negotiate a Guaranteed Maximum Price (“GMP”) contract.

2) Early Start Budget and Funding

For HOC HQ, the benefits of an Early Start include the following:

- 1) **Expediting the process of selecting and approving materials & equipment to stem lead-time issues during construction, and;**
- 2) **providing a short-term bridge (120-150 days) between Early Start Notice to Proceed and contract closing.**

The Early Start scope of work proposed for the HOC HQ consists of releasing subcontractors to produce shop drawings for and buying out several trades with critical paths and long lead times. The cost of the Early Start is projected to be less than \$1,000,000 and includes hard construction costs, soft costs, and a contingency. Only \$766,968 of the Early Start costs are projected to be drawn before the full construction closing; however, staff has identified \$837,000 in the Predevelopment Budget that can be re-obligated to cover the entire Early Start budget until construction closing is completed.

Staff, therefore, recommends using the funding of the already approved Predevelopment Budget from the PNC \$60MM LOC as the source for the Early Start.

Resolution Required: Authorize the Executive Director to execute the Early Start Agreement with Paradigm Contractors, LLC and provide a Limited Notice to Proceed for the Early Start Work.

Executive Summary

3) Third-party Testing RFP & Selection

HOC's Procurement Office issued a Request for Proposal (RFP #2356) for construction materials testing and third-party inspection services for HOC Headquarters in accordance with HOC's Procurement Policy. The scope of work outlined in RFP #2356 included, among other items, concrete testing, steel testing, earthwork, envelope commissioning, and window testing. ECS received the highest score.

Resolution Required: Approval to select ECS for third-party testing services; authorization of the Executive Director to execute a contract with ECS in an amount up to \$299,930; and approval of a total budget of \$344,920 for the services outlined and a 15% owner's contingency.

Early Start Costs & Funding

Early Start Costs

- The Early Start scope of work proposed for the HOC HQ consists of releasing subcontractors to produce shop drawings for and buying out several trades with critical paths and long lead times.
- Staff recommends using the funding of the already approved Predevelopment Budget from the PNC \$60MM LOC as the source for the Early Start.

HOC Headquarters Early Start Budget	
Item	Amount
General Conditions	\$ 54,481
Sheeting and Shoring (Foundations)	\$ 43,000
Concrete	\$ 154,000
Structural Steel/Misc. Metal	\$ 57,000
Waterproofing/Fireproofing	\$ 5,000
Siding	\$ 195,000
Doors, Frames & Hardware	\$ 26,000
Plumbing	\$ 100,000
Electrical	\$ 100,000
GL & Excess Liability	\$ 4,597
Fee	\$ 15,115
Insurance & Bonding	\$ 12,775
Contingency	\$ 70,032
Total Early Start Budget	\$ 837,000

Early Start Costs & Funding

Funding - Predevelopment Budget

The Early Start scope of work proposed is \$766,968 as well as a \$70,032 contingency (for a total of \$837,000).

There is no need to modify the Predevelopment Budget as there were equal offsets from two factors:

OFF-SITE WORK: \$250,000 reduction from a possible HAWK signal for offsite improvements determined not required, and

PERMITS & FEES: \$587,873 reduction for Growth and Infrastructure Policy Fees that are not required as determined by Land Use Counsel due to the Opportunity Zone benefits.

Both costs no longer apply to this project; therefore, staff recommends reallocating them toward the Early Start costs.

	Original Predev.	Early Start
Early Start Amount		\$766,968
Early Start Contingency		\$70,032
HAWK Signal	\$250,000	\$0
Utility Fees	\$775,121	\$775,121
Arch. & Eng.	\$2,175,125	\$2,175,125
Permits & County Fees	\$1,051,189	\$463,316
Construction Manager	\$60,000	\$60,000
Legal	\$360,000	\$360,000
Insurance	\$190,000	\$190,000
Soft Cost Contingency	\$122,991	\$123,864
Financing	\$36,467	\$36,467
Total	\$5,020,893	\$5,020,893

Third-party Testing RFP & Selection

HOC's Procurement Office issued a Request for Proposal (RFP #2356) for construction materials testing and third-party inspection services for HOC Headquarters in accordance with HOC's Procurement Policy. RFP #2356 was released on December 16, 2022, with a due date of January 20, 2023. The RFP was posted to HOC's website and distributed to over 300 vendors registered in the Montgomery County Central Vendor Registration System ("CVRS"). The applicable vendors receive a notification via the system that there is a solicitation for their review and potential response. A pre-proposal meeting and conference was held virtually on January 4, 2023. Seven (7) firms attended the pre-bid conference. However, the pre-bid conference does not reveal whether a firm intends to submit a response to the RFP.

The scope of work outlined in RFP #2356 included for instance, concrete testing, steel testing, earthwork, envelope commissioning and window testing. The scoring team received written instructions prior to scoring and currently consists of staff from Finance, Mortgage Finance, and Real Estate divisions, as well a Promark representative (together, the "Third-Party Testing Scoring Team") who reviewed the responses on February 9, 2023. After corresponding with some of the firms in attendance at the pre-bid conference, they stated that due to the lack of capacity, they did not respond to the solicitation. The Proposals were scored on the following: five (5) evaluation criteria. The maximum points a proposal could receive is 100.

Background and Experience (Maximum 30 Points)	Management Plan (Maximum 15 Points)	Price (Maximum 25 Points)	Methodology (Maximum 15 Points)	MFD Participation (Maximum 15 Points)
Experience with properties similar in scope and size including working with Montgomery County Special Inspection Program and Housing Authorities in the Baltimore – Washington Metropolitan area with a preference for Montgomery County.	Provide a brief narrative description of the staffing assignments, roles and responsibilities who will be assigned to directly or indirectly work on this contract.	Price and Fees for performing the services described in this request for proposal. Price proposals should include detailed cost of each service.	Describe how your firm proposes to perform the services described in this RFP. The methodology should address coordination of inspections capabilities, availability of staff as required to meet scheduling and reporting requirements and compliance.	Up to 5 points were awarded to respondents that are MFD certified, or proposed to train and/or hire MFD persons directly ("Direct MFD Score"). Up to 10 points for MFD Subcontracting Score"). 0 points for < 25%, 5 points ≥25% and < 30% and 10 points for ≥30%.

Third-party Testing RFP & Selection - Bidders

HOC received two (2) responsive proposals in response to RFP# 2356 by the proposal deadline on January 20, 2023, at 12:00 pm.

Hillis-Carnes Engineering Associates, Inc. (“Hillis-Carnes”)

Founded in 1989, Hillis Carnes is a large multidisciplinary consulting engineering firm, providing construction materials testing, third-party inspections, geotechnical engineering, facilities consulting and more. They have 16 full-service branch offices. The firm has been in the testing business for over 30 years and has completed numerous projects in Montgomery County. Hillis Carnes has provided third-party testing services for HOC projects, such as The Leggett and The Laureate.



ECS Mid-Atlantic, LLC (“ECS”)

Founded in 1988, Engineering Consulting Services (ECS) is a leader in geotechnical, construction materials, environmental and facilities engineering. The firm has over 80 offices with the closest office located in Hanover, MD. Furthermore, ECS has extensive experience providing a range of Construction Material Testing and Third-Party Inspections in Maryland. The firm has provided third-party testing services for HOC’s Fenton Silver Spring project.



Third-party Testing RFP & Selection - Scoring

ECS received the highest score of 89 points. The scores below reflect the average of the individual scores from each member of the Third-Party Testing Scoring Team. The results of the Third-Party Testing Scoring Team are summarized below.

Rank	Third-Party Testing	Background and Experience (Maximum 30 Points)	Management Plan (Maximum 15 points)	Price (Maximum 25 Points)	Methodology (Maximum 15 Points)	MFD Participation (Maximum 15 Points)	Total (Maximum 100 Points)
1	ECS	30	15	24	15	5	89
2	Hillis-Carnes	30	11	25	11	10	87

Background and Experience:

- Hillis-Carnes and ECS demonstrated properties similar in scope and size, including working with Montgomery County Special Inspection Program and Housing Authorities in the Baltimore – Washington Metropolitan area with a preference for Montgomery County. Both firms have also worked on HOC projects and received the maximum points in this category.

Management Plan:

- ECS' management plan included fifteen (15) personnel and 619 more hours in services.
- Hillis-Carnes' management plan included twelve (12) personnel.

Price:

- Hillis-Carnes received the highest points for pricing due to submitting the lowest bid among the two bidders. Although ECS was a close second in terms of pricing, Hillis-Carnes still submitted the most competitive bid.

Methodology:

- ECS provided significant information to support their methodology for the project, including their envelope commissioning and window testing approach.
- Hillis-Carnes provided information regarding their methodology for the project; however, they did not provide as much detail on their envelope commissioning and window testing approach, which reflects the lower score.

Third-party Testing RFP & Selection - Scoring

Third-Party Testing	Direct MFD Efforts	MFD Subcontracting
Hillis-Carnes	<ul style="list-style-type: none">N/A	30%
ECS	<ul style="list-style-type: none">Demonstrated commitment to employ MFD personnelProposed a staffing plan with MFD personnel on the project.	N/A

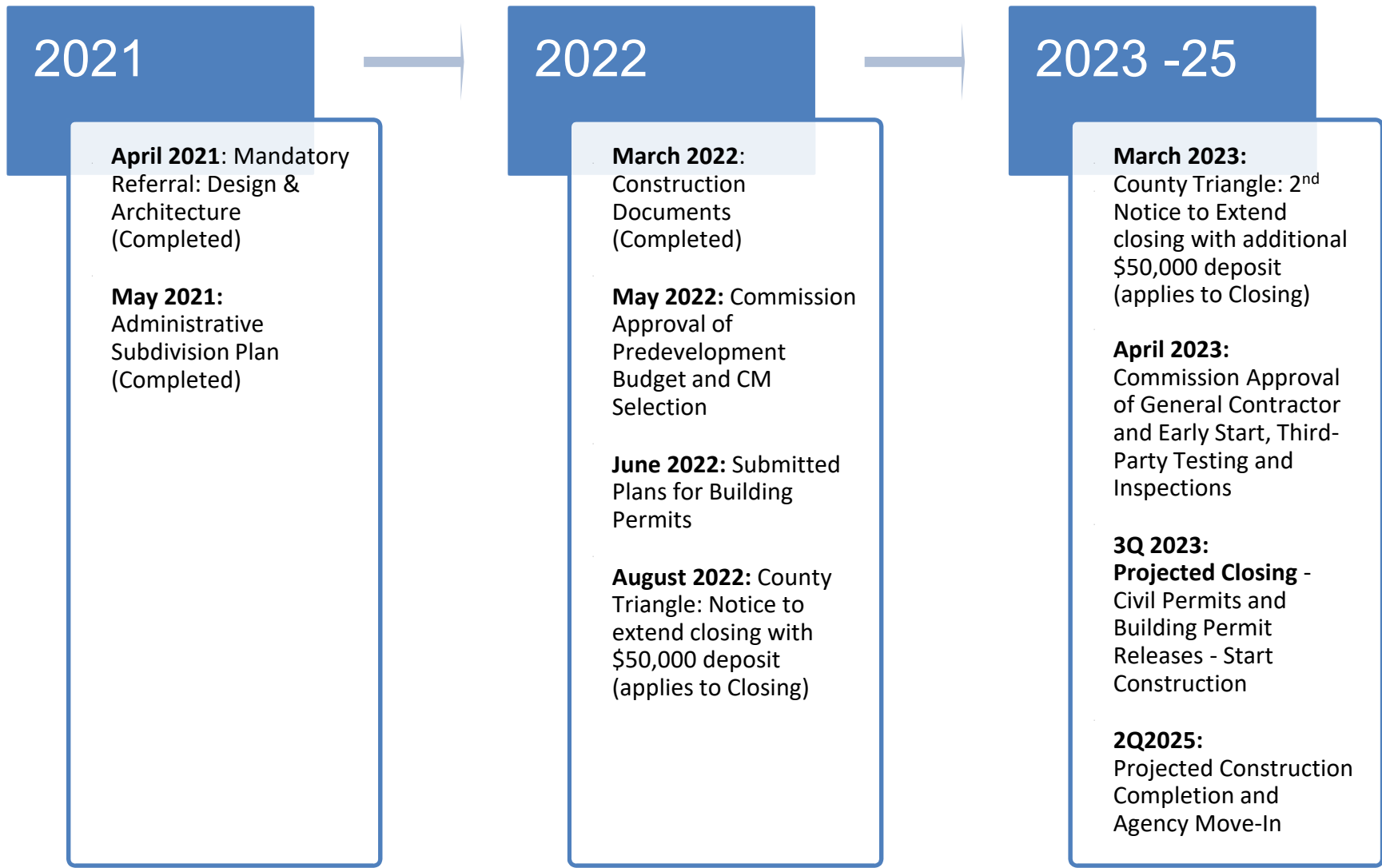
MFD Participation:

- Hillis-Carnes did not demonstrate direct MFD efforts within their proposals; however, they disclosed a MBE firm for subcontracting at 30%. Hillis-Carnes received a total of ten points for MFD participation.
- ECS demonstrated direct MFD efforts. However, they are not subcontracting any portion of the services. ECS received five points for MFD participation.

Staff Recommendation:

- Staff recommends ECS for third-party testing services for \$299,930 and that the Commission include a 15% contingency on top of the awardee's price (for a total budgeted price of \$344,920) to cover any unforeseen or additional services required.

Development Timeline



Development Timeline

HOC HQ Summary Pre-Construction Schedule

Task Name	Duration	Start	Finish	Predecessors
1 <input type="checkbox"/> Permitting	218d	09/03/22	07/04/23	
2 <input type="checkbox"/> Record Plat	218d	09/03/22	07/04/23	
3 MGDPS Review of RW Plans	425d	09/03/22	02/23/23	
4 Octave Easement Executed (Loading & Trash, Drainage)	0	05/01/23	05/01/23	
5 Record Plat: Resubmit and Agencies Final Review	15d	05/01/23	05/19/23	3, 4
6 Record Plat Signature: Fenwick SS, DOT, County, DPS	15d	05/22/23	06/09/23	5
7 MNCPPC: Hearing & Sign Plat	17d	06/12/23	07/04/23	6
8 Obtain Plat from Land Records	0	07/04/23	07/04/23	7
9 Fee in lieu payments	0	06/20/23	06/20/23	8FS -10d
10 <input type="checkbox"/> Civil Permits	32d	05/01/23	06/13/23	
11 Sediment Control Permit Issued	6d	05/01/23	05/08/23	4
12 RW Permit Issued (Plat Release)	0	06/09/23	06/09/23	6
13 WSSC Permits Issued	2d	06/12/23	06/13/23	6
14 Complex Structural Review Mtg & Proof of Testing Contract	1d	06/08/23	06/08/23	21FS +30d
15 Building Permit Release	0	07/04/23	07/04/23	8, 9, 10, 14, 21FS +5d
16 Crane Swing Agreement - Garage 7				
17 On and Off Site Tree Permit - HOC to Sign	4d	09/01/23	09/01/23	
18				
19 <input type="checkbox"/> Closing on Financing / Sign GC Contract & Testing Consultant	110d	04/05/23	09/06/23	120
20 <input type="checkbox"/> Commission Meeting	0	04/05/23	04/05/23	87
21 Testing Contract: Execute	0	04/26/23	04/26/23	114, 20FS +15d
22 GC Contract: Negotiate and Finalize	40d	04/06/23	05/31/23	20
23 GC Contract: Execute Early Start & AIAs	0	05/31/23	05/31/23	22, 20FS +5d
24 Insurance Documentation	110d	04/06/23	09/06/23	25SS
25 Financing: Documentation	110d	04/06/23	09/06/23	20
26 Financing: Closing	0	09/06/23	09/06/23	15FS +5d, 20FS +5d, 25
27				
28 <input type="checkbox"/> County Triangle Parcel Purchase	70d	05/31/23	09/06/23	
29 Condition to Purchase: Building Permit Release	0	07/04/23	07/04/23	15
30 Condition to Purchase: GC Contract Executed	0	05/31/23	05/31/23	23
31 Condition to Purchase: Financing Closed	0	09/06/23	09/06/23	26
32 Triangle Parcel Closing	0	09/06/23	09/06/23	29, 30, 31
33 Outside Closing Date (Contractual)	0	09/11/23	09/11/23	
34				
35 <input type="checkbox"/> Construction Notice to Proceed	154d	02/06/23	09/07/23	
36 <input type="checkbox"/> Dry Utility Undergrounding/Relocation	120d	02/06/23	07/21/23	
37 Washington Gas Relocation	120d	02/06/23	07/21/23	
38 Verizon Hub Relocation	120d	02/06/23	07/21/23	
39 FiberNet Relocation	120d	02/06/23	07/21/23	
40 Crown Castle Relocation	120d	02/06/23	07/21/23	
41 Early Start Work	65d	06/01/23	08/30/23	23
42 IFC Set of Drawings				
43 Construction Notice to Proceed	1d	09/07/23	09/07/23	15, 23, 26, 32, 36

For HOC HQ, the benefits of an Early Start include the following:

1. Expedite the process of selecting and approving materials & equipment to stem lead-time issues during construction, and
2. Provide a short-term bridge (120-150 days) between Early Start Notice to Proceed and Contract Closing.

Sustainability Highlights

The proposed HOC Headquarters project demonstrates a strong commitment to sustainable building practices and is expected to achieve LEED v4 BD+C Gold level certification. The project includes several sustainability features such as bike storage and shower facilities, plumbing fixtures with reduced potable water use, metering capabilities for water and energy sub-systems, and façade design optimization for energy use. The project also promotes alternative transportation options by excluding on-site parking. Additionally, the project incorporates a high-performance HVAC system and a building automation system for remote monitoring and energy management routines.

Notable Features included in the new HQ:

- Plumbing fixtures meet the credit target of a 40% reduction in potable water use.
- Metering capabilities for water and energy sub-systems are included.
- Environmental Product Declaration ("EPD") and Material ingredients requirements are incorporated into the specification to evaluate the sustainability of building products and carbon footprint.
- Façade design limits the amount of glazing, integrates daylight design strategies, and maximizes view opportunities where appropriate.
- The HVAC system uses a variable refrigerant flow ("VRF") system with decoupled ventilation through a dedicated outdoor air system with energy recovery.
- A building automation system ("BAS") with direct digital control components will be provided for remote monitoring and energy management routines.


 LEED v4 for BD+C: New Construction and Major Renovation Project Checklist				Project Name:	HOC Headquarters
				Date:	CD Progress: 2022-02-09
Y	?	N			
1	1	0	0	Credit	Integrative Process
10 3 3 Location and Transportation				16	
Y				Credit	LEED for Neighborhood Development Location
Y				Credit	Sensitive Land Protection
1	2	0	0	Credit	High Priority Site
2	3	0	0	Credit	Surrounding Density and Diverse Uses
5	0	0	0	Credit	Access to Quality Transit
1	0	0	0	Credit	Bicycle Facilities
1	0	0	0	Credit	Reduced Parking Footprint
0	1	0	0	Credit	Green Vehicles
3 5 2 Sustainable Sites				10	
Y				Prereq	Construction Activity Pollution Prevention
1	0	0	0	Credit	Site Assessment
2	0	0	0	Credit	Site Development - Protect or Restore Habitat
1	0	0	0	Credit	Open Space
3	0	0	0	Credit	Rainwater Management v4.1
2	0	0	0	Credit	Heat Island Reduction
0	1	0	0	Credit	Light Pollution Reduction
5 3 3 Water Efficiency				11	
Y				Prereq	Outdoor Water Use Reduction
Y				Prereq	Indoor Water Use Reduction
Y				Prereq	Building-Level Water Metering
1	1	0	0	Credit	Outdoor Water Use Reduction
3	2	1	0	Credit	Indoor Water Use Reduction
0	0	2	0	Credit	Cooling Tower Water Use
1	0	0	0	Credit	Water Metering
18 9 6 Energy and Atmosphere				33	
Y				Prereq	Fundamental Commissioning and Verification
Y				Prereq	Minimum Energy Performance
Y				Prereq	Building-Level Energy Metering
Y				Prereq	Fundamental Refrigerant Management
3	3	0	0	Credit	Enhanced Commissioning (includes monitoring - 1; envelope - 2 pts)
14	2	2	0	Credit	Optimize Energy Performance
1	0	0	0	Credit	Advanced Energy Metering
2	0	0	0	Credit	Demand Response
3	0	0	0	Credit	Renewable Energy Production v4.1
0	1	0	0	Credit	Enhanced Refrigerant Management
0	2	0	0	Credit	Green Power and Carbon Offsets
6 2 5 Materials and Resources				13	
Y				Prereq	Storage and Collection of Recyclables
Y				Prereq	Construction and Demolition Waste Management Planning
1	2	2	0	Credit	Building Life-Cycle Impact Reduction - Option 4 (whole bldg life cycle) v4.1
1	0	1	0	Credit	Building Product Disclosure and Optimization - Environmental Product Declarations
1	1	1	0	Credit	Building Product Disclosure and Optimization - Sourcing of Raw Materials v4.1
1	1	1	0	Credit	Building Product Disclosure and Optimization - Material Ingredients
2	0	0	0	Credit	Construction and Demolition Waste Management
7 5 4 Indoor Environmental Quality				16	
Y				Prereq	Minimum Indoor Air Quality Performance
Y				Prereq	Environmental Tobacco Smoke Control
2	0	0	0	Credit	Enhanced Indoor Air Quality Strategies
3	0	0	0	Credit	Low-Emitting Materials v4.1
1	1	0	0	Credit	Construction Indoor Air Quality Management Plan
2	0	2	0	Credit	Indoor Air Quality Assessment
0	1	0	0	Credit	Thermal Comfort
1	1	1	0	Credit	Interior Lighting
0	3	0	0	Credit	Daylight
0	1	0	0	Credit	Quality Views
1	0	0	0	Credit	Acoustic Performance
6 0 0 Innovation				6	
5	0	0	0	Credit	Innovation
1	0	0	0	Credit	LEED Accredited Professional
4 0 0 Regional Priority				4	
1	0	0	0	Credit	Regional Priority: Access to Quality Transit
1	0	0	0	Credit	Regional Priority: Outdoor Water Use Reduction (50%)
1	0	0	0	Credit	Regional Priority: Indoor Water Use Reduction (30%)
1	0	0	0	Credit	Regional Priority: Optimize Energy Performance (25% reduction)
60 27 23 TOTALS				Possible Points: 110	
Certified: 40 to 49 points, Silver: 50 to 59 points, Gold: 60 to 79 points, Platinum: 80 to 110					

Figure: LEED Scorecard

Prior Commission Actions

Prior Commission Actions Related to HOC HQ

RESOLUTION No. 18-69AS – On September 5, 2018, the Commission approved the Predevelopment Budget in the amount of \$2,116,000 for the Design and Entitlement of Fenwick & Second; and the Approval to Draw on the \$60 million PNC Bank, N.A. Line of Credit (the “PNC \$60MM LOC”) to Fund the First Installment of Predevelopment Funding in the amount of \$264,500.

RESOLUTION No. 19-45AS₁ – On April 3, 2019, the Commission approved entering into a Ground Lease with Fenwick Silver Spring, LLC, and a Development Services Agreement with Promark Development, LLC for the Development and Ownership of HOC’s New Headquarters Building and Approval of the Architect Selected to Complete Design and Construction Management for the Development. The resolution also authorizes the Executive Director to negotiate and enter into a contract with Design Collective, Inc. for architectural services in an amount not to exceed \$1,100,000 from the \$60MM PNC Bank, N.A. Line of Credit.

RESOLUTION No. 20-37A – On May 6, 2020, the Commission approved the submission of a Mandatory Referral Application for the New HOC HQ, revised the FY21 predevelopment budget for the New HOC HQ to \$2,650,150, and approved the expenditures for CY20 under the second installment of Predevelopment Funding for \$793,800.

RESOLUTION No. 21-19 (A & B) – On February 3, 2021, the Commission approved a revised total predevelopment budget of \$2,908,300 for the design and entitlement of the New HQ and the use of the PNC Bank, N.A. Line of Credit as the source to fund the final installment of \$750,000.

RESOLUTION No. 22-33 (A & B) – On May 4, 2022, the Commission approved a revised total predevelopment budget of \$5,020,756 for the design and entitlement of the New HQ and the use of the PNC Bank, N.A. Line of Credit as the source to fund the final installment of \$2,112,456; and Approval of the Construction Manager Selected to Complete Construction Management for the Development. The resolution also authorized the Executive Director to negotiate and enter into a contract with JLL for construction management services that obligates HOC only for the pre-construction phase.

Summary & Recommendations

ISSUES FOR CONSIDERATION

Does the Commission:

1. Approve the selection of Paradigm Contractors, LLC as the general contractor?
2. Authorize the Executive Director to execute an Early Start Agreement with Paradigm Contractors, LLC for an amount not to exceed \$837,000 (which includes \$766,968 for early start work plus a \$70,032 contingency) and to provide a Limited Notice to Proceed (“LNTP”) for the Early Start work?
3. Approve a reallocation of savings to the HQ predevelopment budget to fund the Early Start in an amount not to exceed \$837,000?
4. Authorize the selection of ECS to provide construction materials testing and third-party inspection services and authorize the Executive Director to negotiate and execute a contract with ECS in an amount up to \$299,930?
5. Accept a total budget for materials testing and third-party inspection services of \$344,920, which includes a Commission-held contingency of \$44,990 (15% of contract)?

BUDGET/FISCAL IMPACT

There is no adverse impact on the Commission’s FY2023 Operating Budget.

TIME FRAME

For formal action at the April 21, 2023, Special Meeting of the Commission.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

As these approvals would allow HQ to maintain its development timeline and better position the development team to manage construction cost risk, staff is recommending that the Commission accept staff’s recommendation to:

1. Approve the selection of Paradigm Contractors, LLC as the general contractor;
2. Authorize the Executive Director to execute an Early Start Agreement with Paradigm Contractors, LLC for an amount not to exceed \$837,000 (which includes \$766,968 for early start work plus a \$70,032 contingency) and to provide a Limited Notice to Proceed (“LNTP”) for the Early Start work;
3. Accept an Early Start budget reallocation for HQ in an amount not to exceed \$837,000;
4. Authorize the selection of ECS to provide construction materials testing and third-party inspection services and authorize the Executive Director to negotiate and execute a contract with ECS in an amount up to \$299,930;
5. Accept a total budget for materials testing and third-party inspection services of \$344,920, which includes a Commission-held contingency of \$44,990 (15% of contract).

April 21, 2023

RESOLUTION No. 23-28

RE: Approval of the Selection of the General Contractor, Authorization of the Executive Director to Execute an Early Start Agreement with the General Contractor, Approval of the Reallocation of Savings to the Existing Predevelopment Budget to Fund the Early Start, Approval of the Selection of the Third-party Testing Contractor, and Approval of the Budget for the Third-party Testing Contractor

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”), has secured three lots located at 1324 and 1328 Fenwick Lane, Silver Spring, MD 20910 (the “Property”), as the site of a new headquarters building, projected to be approximately 83,000 gross square feet or the maximum allowed by the current zoning regulations (the “New HQ”); and

WHEREAS, on April 3, 2019, the Commission authorized the Executive Director to execute a Development Agreement and Ground Lease with Promark Development, LLC for the joint development of the Property, engaged Design Collective, Inc. for architectural services and to administer construction for the New HQ, and subsequently, on May 6, 2020, approved pursuing site development approval; and

WHEREAS, HOC has received all required approvals from the Montgomery County Planning Board, and is now prepared to select a general contractor to construct the building; and

WHEREAS, the Commission issued a request for proposals for general contracting services (“RFP #2340”) for the New HQ, and Paradigm Contractors, LLC (“Paradigm”) received the highest score among the respondents; and

WHEREAS, the Commission desires to select Paradigm as the general contractor for the New HQ and authorize the Executive Director to negotiate a Guaranteed Maximum Price (“GMP”) construction contract with Paradigm; and

WHEREAS, the Commission recognizes the benefits of starting certain construction preparation work for the New HQ, including (1) releasing subcontractors to produce shop drawings, (2) engaging in advance trades with critical paths and long lead times for construction, and (3) expediting the process of selecting and approving materials and equipment to stem lead-time issues during construction (collectively, the “Early Start Work”); and

WHEREAS, staff has identified \$837,000 in the predevelopment budget that can be re-obligated to cover the entire Early Start Work budget of \$766,968 plus a contingency of \$70,032 until construction closing is complete; and

WHEREAS, the Commission desires to authorize the Executive Director to negotiate and

execute a contract with Paradigm for the Early Start Work in an amount not to exceed \$837,000 (the “Early Start Agreement”) and provide a limited notice to proceed to Paradigm for the Early Start Work; and

WHEREAS, the Commission issued a request for proposals for third-party inspection services (“RFP #2356”) for the New HQ, and ECS Mid-Atlantic, LLC (“ECS”) received the highest score among the respondents; and

WHEREAS, the Commission desires to engage ECS as HOC’s third-party inspector for the New HQ.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the selection of Paradigm as the general contractor for the New HQ and authorizes the Executive Director to negotiate a GMP construction contract with Paradigm.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to execute the Early Start Agreement for up to \$837,000 with Paradigm and provide a limited notice to proceed for the Early Start Work.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves the reallocation of savings to the existing predevelopment budget for the New HQ to fund the Early Start Work not to exceed \$837,000.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County approves the selection of ECS as the third-party inspector for the New HQ, authorizes the Executive Director to execute a contract with ECS not to exceed \$299,930, and approves a total budget of \$344,920 for third-party inspection services.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or her designee, is hereby authorized, without any further action on its part, to take any and all actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of any documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at an open Special Session conducted on April 21, 2023.

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Chelsea J. Andrews
Executive Director