

# LOSING BIDDER FOR HUGE AIRPORT CONSTRUCTION PROJECT FILES PROTEST

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A joint venture including some of the biggest names in the local construction industry is crying foul over a recommendation that a competitor should get to manage the construction of a new \$546 million terminal at Louis Armstrong International Airport.

Hunt Gibbs Boh Metro has been the underdog in the competition since last week, when a selection committee recommended Parson Odebrecht as construction manager for the massive project. That decision broke a deadlock from earlier in the month, when the committee gave both proposals identical scores.

But in a formal protest letter filed Tuesday morning, the Hunt group argues that the tie should never have occurred and that its proposal would have prevailed in the first round had it been scored properly.

“The Hunt Gibbs joint venture should have been far in the lead in points” in the initial evaluation, Daniel Lund III, an attorney representing the group, told the New Orleans Aviation Board on Tuesday. The board was scheduled to select a construction manager for the project, but it deferred its decision until a hearing can be held on the protest.

It’s not clear whether the protest will delay the project and, if so, for how long. The Aviation Board is expected to hold a hearing on the protest in early June, but the outcome of that meeting could spur further challenges or lawsuits.

At a meeting May 14, the 11-member selection committee awarded each of the two bidding consortiums 999 out of a possible 1,100 points, creating a deadlock that was broken a week later when the group reconvened and interviewed representatives of both groups. Parsons Odebrecht secured the recommendation at that meeting, receiving 1,002 points while Hunt Gibbs Boh Metro received 956.

Parsons Odebrecht is a long-established joint venture of firms from California and Brazil, though Odebrecht has a New Orleans office and the team is working with New Orleans-based Woodward Design + Build.

Hunt Gibbs Boh Metro is a more ad hoc group made up of Indianapolis-based Hunt Construction Group plus Gibbs Construction, Boh Bros. Construction LLC and Metro Services Group, all of which are based in New Orleans.

In both evaluations, each of the members of the selection committee separately scored each proposal in five different categories; their scores were added together to reach the final result.

Hunt Gibbs Boh Metro argues it received far fewer points than it should have in the first round. The protest letter cites two specific issues: that the Hunt group was rated poorly on its inclusion of businesses owned by women and minorities — a matter it says was due to a technicality — and that some members of the committee allegedly did not properly give it credit for having a proposal that gave the airport more bang for its buck.

The first issue centers around whether the selection committee should have considered Metro Service Group, one of the partners in the venture, as a “disadvantaged business.” There are different ways a business can receive that certification, which shows it is owned by a woman or a member of a racial minority, and while Metro did not have the specific certification the airport was looking for at the first meeting, it quickly applied for and received it afterward. The letter also notes the request for proposals did not specify which certification was required.

“We were dinged 33 points for (disadvantaged business) participation when we had all the pieces in place that we should have had and thought in good faith we had,” Lund told the Aviation Board.

That issue was compounded by what the protest letter alleges was improper scoring on how the projects stacked up in terms of their cost.

The request for proposals put out by the airport did not ask the two firms to try to come in with proposals lower than the budgeted amount for the project. However, the evaluation criteria did award points for how much of the budget would go into actual construction rather than overhead, the fees charged by the companies and other costs.

Project officials determined the Hunt Gibbs Boh Metro bid directed about \$14 million more to construction, meaning it would be a better value for the airport. Parsons Odebrecht officials have contended that analysis is flawed because of the different ways the two groups categorized some expenses, such as insurance.

But Hunt Gibbs Boh Metro noted that two members of the committee scored both firms identically on cost in their first evaluations.

“Whatever the reason for the erroneous first scoring ... it is undeniable that on May 14 the two committee members voted incorrectly on the objective category of cost,” according to the letter.

Odebrecht USA President and CEO Gilberto Neves urged the Aviation Board to follow the selection committee’s recommendation. He said his company had “played by the rules” and submitted the right documentation. It will be filing a formal reply to the protest letter, he said.

The protest letter does not address the scores issued in the second evaluation. The drop in Hunt Gibbs Boh Metro’s score in the second round was largely due to concerns that the joint venture would do more of the work itself and bid out less of the project to other contractors, and concerns that the head of its team had not overseen a similar type of project.

New Orleans Chief Administrative Officer Andy Kopplin was the only member of the selection committee to give Hunt Gibbs Boh Metro a higher score in the second round than in the first, and he increased the score he gave Parsons Odebrecht by a larger amount.

Tuesday's meeting also featured some debate over Parsons Odebrecht's proposal, focusing around a complaint against Woodward. In an email read by Latoya Lewis with the group Stand With Dignity, employees of the company were accused of regularly referring to minorities with racial epithets. That, Lewis said, showed the company could not be trusted to ensure minority participation.

Woodward President and CEO Paul Flower denied the allegations.

Royal Engineers President Dwayne Bernal said his firm, the largest African-American-owned engineering firm in the state, and other disadvantaged businesses that are part of the Parsons team would not have signed up with Woodward if the company had racial issues.

"For myself personally, I would not join a team and exclusively be a member of a team where I perceived there would be some issues," Bernal said.