Official: No delay in flood recovery progress

Edwards administration defends rebidding oversight contract

BY ELIZABETH CRISP
ecrisp@theadvocate.com

Gov. John Bel Edwards’ administration Wednesday attempted to tamp down concerns over the status of the state’s search for a contractor to oversee housing recovery programs following last year’s historic floods.

“We do not have any delays that will be the result of state action,” Department of Community Development director Pat Forbes told a panel of state senators during a hearing on the flood recovery. “We will have the programs rolling out before the line of credit gets here.”

Louisiana is in line to receive $1.6 billion from the federal government to aid the recovery process, the bulk of which will go toward programs meant to help homeowners get back into their flood-damaged properties. The state is waiting for the line of credit to be finalized by the U.S. Department of Housing and Urban Development before any money can be spent.

“We know that this process is too slow, but it’s the federal process we have to follow,” Forbes said.

He said no delays are anticipated because the state restarted its contractor selection process two weeks ago. The second round of proposals are due to the state by April 7, and Forbes said a contractor will be in place by April 13 before HUD is expected to act.

Also in mid-April, the state hopes to begin the process of collecting information from flood-affected residents who may qualify for assistance. A formal application process will follow in May.

Edwards’ administration has said its goal in restarting the contractor selection process was to push the price tag below the estimated $250 million that it would have been in the first attempt. Forbes said the target would be more in the $100 million to $150 million range.

“The sole reason for that is to prevent delays for homeowners and try to reduce costs,” Forbes said. “Every penny we save on program delivery is money we can put into someone’s home.”

But the decision to start over has set off mild controversy, as at stake is a lucrative contract worth hundreds of millions of dollars.

Each of the bidders are largely linked to well-connected firms in Louisiana.

IEM, the firm first chosen for the contract, has sought legal action against a state licensing board that advised against its credentials — an opinion that Forbes insists wasn’t the catalyst for the decision to restart the process.

“It doesn’t matter to us really whether that opinion is correct or not,” Forbes said. “Certainly, we never intended to do a double process but it’s a tool that was available to us.”

Changes in the new process include a decision to more heavily weigh cost versus other factors considered, Forbes said.

“We thought that the costs were too high on the first set of proposals that we got,” he said.

State Sen. Bodi White, R-Central, said he’s concerned that legal action tied to the selection of a main contractor could prompt unnecessary delays in getting the programs up and running.

“This is getting controversial, and it’s going to slow us down,” White said. “I can see it already.”

Forbes said the state is within its legal rights to move ahead with the alternative, fast-tracked latest attempt. He denied that anything improper had resulted in the redo and said he believes the move will prevent delays.

“We’re very close to having funds here to help homeowners,” he said. “It’s a chunk of money; I would like to get it lowered.”

Edwards administration has faced repeated criticism among some leaders frustrated with the bureaucratic process of drawing down federal aid.

White, whose district includes some of the areas hardest hit by the August flooding, said any delays could have long-term repercussions.

“They’re making decisions whether to stay in this state or not, right now, in my district,” he said. “They are getting ready to leave. They are leaving now.”

Meanwhile, the state continues to seek another $2 billion appropriation from Congress for additional aid. Edwards and other leaders have been lobbying for that money to be added to the next federal stopgap funding measure needed to keep government funded past April 28.

Several members of Louisiana’s delegation, including U.S. Rep. Garret Graves, R-Baton Rouge, and U.S. Sen. John Kennedy, R-Madisonville, have said the efforts to seek more aid have been difficult because Louisiana hasn’t used any of the money already appropriated.