

1. INTRODUCTION

This report was prepared for the Northern Mariana Housing Corporation (NMHC) for the purpose of determining the probable cause of problems being experienced by homeowners of the Tottotville Subdivision on the island of Saipan. The subdivision is comprised of 45 homes located near the village of Koblerville. Construction of the homes was completed in 2002. The homeowners have noted problems with termite infestation; water leaks around doors, windows, walls and ceilings; use of possible substandard materials; and apparent poor workmanship throughout a majority of the houses in the subdivision. In the month of May 2005, the NMHC contracted with EFC Engineers & Architects Inc. (EFC) to evaluate the roles of all parties involved in the project, namely the NMHC, the designer, the construction management team, the contractor, and the home owners, for the purpose of determining the probable causes or sources of the problems. EFC's investigation included a detailed review of project related records in NMHC's possession, inspection of a representative number of homes, and associated research.

Records of the project were reviewed at the NMHC's office and a total of 9 out of 45 units were inspected and six of the homeowners that were present during the inspections between May 17, 18 and 19, 2005 were interviewed. It is important to note, EFC was not provided any records from the designer, construction manager or contractor. Thus, the findings contained herein are based solely on the records that were made available at the offices of NMHC as well as site inspections conducted by our office. It is possible that records exist that EFC did not have access to that may impact or change the findings of this report. However, it is our opinion that the information gathered and conditions found during the site inspections strongly support the findings contained herein.

2. BACKGROUND

The Tottotville Housing project was originally identified as Koblerville Expansion Project. All design work, Construction Management (CM) services and the construction contract are part of the Koblerville Expansion Project. The subdivision was given the Tottotville name after the completion of Koblerville Expansion Project.

On January 14, 2000 the NMHC entered into a contract with SSFM, International for design of forty-five (45) affordable, quality, modern housing units to be constructed in this subdivision. The purpose and intent of the design for the Koblerville Housing Project is elaborated in Exhibit A, "Summary of Proposal Evaluation." SSFM's Design Contract (NMHC SS 99-012) is provided in Exhibit B. On January 28, 2000 the NMHC entered into a separate contract with SSFM for CM services of the 45 homes (see Exhibit C). On August 13, 1999 NMHC executed a contract with Telesource, CNMI for \$6,310,000 for construction of the 45 homes (see Exhibit EEE).

3. SSFM'S ROLE AND EXECUTION

A. ROLE

EFC provided to the Northern Mariana Housing Authority report on the deficiencies both, in the design and construction of the 48 residential units constructed at Koblerville Housing project. The report was for the Northern Mariana Housing Authority's effort in obtaining corrective actions from both, the designer and the contractor.