



Government of Bermuda
Ministry of Housing and Municipalities
Office of the Minister

MEMORANDUM

To: Mr. Clark Somner, Clerk to the Legislature

From: Jeane Nikolai, Permanent Secretary

Date: 25 September 2026

Re: Written Parliamentary Questions

Oh behalf of Minister DeSilva, please find below the responses to the questions (Received 2nd September 2026) below for written responses on Friday September 25th 2026.

Q.1. On 26th June 26 the Honourable Minister Zane DeSilva, undertook to share with this Honourable House the “rigorous technical and procurement evaluation” conducted by the Affordable Housing Advisory Committee (“AHAC”) before certain contracts were given out to Coastal Precast Systems and Preconco Ltd. Will the Honourable Minister please provide this Honourable House with the procurement methodology document(s) and detail the rigorous technical and procurement evaluation utilized by the Bermuda Housing Corporation (“BHC”)/Bermuda Land Management Corporation (“BLMC”)/AHAC for the purposes of evaluating proposals made for the projects listed in the Minister’s statement to this Honourable House on 26th June 2026?

A.1. The procurement methodology and evaluation process are set out in the document entitled “3. MoF Evaluation Memo” (attached as Annex I) which was released by the Ministry as part of its response to a Public Access to Information Act request.

As recorded in that document, the AHAC was tasked with identifying housing solutions capable of delivering quality, homes within a 24-month period and a target budget baseline of \$500 per square foot while maximizing participation by local subcontractors and tradespeople.

Before considering individual suppliers, the AHAC assessed the feasibility of traditional domestic construction methods. The evaluation concluded that traditional masonry construction could not satisfy both the budget and delivery requirements of the programme and therefore alternative construction methodologies were considered.

The AHAC initially evaluated nine international firms specializing in rapid-deployment housing systems. They were:

- Coastal
- Z-Modular
- Stack
- Preconco
- Bauhu
- RAD
- MICEM
- Forsa
- Cosmos

The evaluation employed a sequential ‘gating’ process whereby vendors failing an absolute baseline requirement were removed from further consideration. The evaluation memorandum notes that where information appears as ‘unknown’ within the evaluation matrix, this reflects disqualification at that stage rather than the absence of assessment.

The evaluation considered, among other matters:

- Housing typology
- Life expectancy and material quality
- Delivery timelines
- Compliance with building code requirements
- Hurricane resistance
- Amount of local content
- Relevant experience and local knowledge
- Supplier capability verification

By February 2026, the field had been narrowed to Coastal, Preconco, Z-Modular, and Stack.

The evaluation record further notes that:

- Cosmos and Forsa failed the building code and hurricane resistance requirements;
- Certain modular solutions were assessed as having shorter anticipated lifespans and higher maintenance exposure;
- Several shortlisted modular vendors could not guarantee delivery timelines compatible with the project schedule; and
- Modular systems generally provided less local participation than precast solutions, because greater portions of the work are completed off-site prior to delivery.

In the category “Relevant Experience and Local Knowledge”, Coastal scored 21 out of 25, and Preconco scored 22 out of 25. The memorandum states that these scores reflected the suppliers’ demonstrated experience and familiarity with Bermuda conditions. By comparison, Stack scored 3 out of 25 and Z-Modular scored 9 out of 25 in the same category. The memorandum further notes local projects associated with the recommended firms, including Victoria Terrace in Dockyard, Morgan’s Point, and the King’s Wharf Cruise Ship Terminal.

Following the shortlisting of Coastal and Preconco, representatives of AHAC undertook site visits to the suppliers' manufacturing facilities in Virginia and Barbados as part of the supplier capability verification process. The purpose of those visits was to assess technical capacity, scalability, quality-control systems and operational readiness. The delegation reviewed quality management procedures, safety protocols, casting operations, material testing procedures, logistics, handling processes, and shipment readiness.

The memorandum states that Coastal and Preconco successfully passed every sequential gate, including provision of a precast concrete typology, verification of Bermuda Building Code compliance and hurricane resistance, a life expectancy of fifty years or more, capacity to build within the required timeframe, an established local track record and experience, freight to Bermuda, and technologies that had passed Planning scrutiny. The memorandum further states that only after those threshold requirements had been satisfied did the Committee proceed to evaluate costs, fit-out requirements and local subcontractor participation.

Q.2. Will the Honourable Minister please provide this Honourable House with a full listing of all proposals received and considered by the AHAC for the developments at Morgan's Point, Victoria Place and Albert Row and Tommy Fox Road to which the Minister referred in his statement of 26th June to this Honourable House? Including (i) the name of the entities that made proposals,, (ii) date(s) the proposal(s) was/were considered by the AHAC, (iii) the overall number of units that the entity was proposing to build, (iv) the cost per square foot of each unit in the proposal(s) and (v) the reason(s) each proposal was either recommended for acceptance or rejection by the AHAC?

A.2. The records reviewed by AHAC included the following firms:

- Coastal;
- Z-Modular;
- Stack;
- Preconco;
- Bauhu;
- RAD;
- MICEM;
- Forsa; and
- Cosmos.

The AHAC meeting log records engagements with vendors as follows:

Company	Proposal (yes/no)	Meeting Date	Location	Number of Units	Cost per sq ft
STACK Modular	Emails No formal proposal.	19 th and 21 st Nov and 12 Dec 2025	Cann Park 2	110	\$210/sq ft
Z Modular	Conceptual	March 2026	Cann Park 2	110	\$498 GSF
MICEM	Presentation not proposal	Dec 2025	Cann Park 2	110	Very Rough pricing of \$340/sq ft
BAUHU	None	Jan 2026	Cann Park 2	110	N/A
COSMOS	None	Jan 2026			N/A
Preconco	Yes	Feb., June 2026	Cann Park 2	110	\$248
Coastal	Yes	January & Feb 2026	Tommy Fox, Albert Row, Victoria Place	24 24 36	\$416
Forsa	Yes	March 2026	Generic 2 bedroom House	2 bedroom house	\$350

The evaluation record notes that:

- Cosmos and Forsa failed building code and hurricane resistance requirements;
- several modular vendors failed lifespan, delivery timeline and local-content criteria; and
- Coastal and Preconco were ultimately recommended following the evaluation process.
- While Stack Modular submitted the lowest-priced proposal, several concerns influenced the evaluation:
 - At the time the decision was made, the AHAC had not been able to inspect a completed, operational example of the product.

- It was unclear whether the quoted price included a full fit-out and site work costs were unknown.
- The expected lifespan of the product as priced was not considered sufficient to justify an investment of this magnitude.
- The quoted price covered delivery to Bermuda only; significant additional costs, including transportation from the docks to the site, staging, crane and lifting services, installation, and other site-related works, were excluded.

The evaluation memorandum records shell costs of \$248 per square foot for Preconco and \$417 per square foot for Coastal.

Q.3. A statement released to the media dated 21 July 2026, by the Ministry of Housing and Municipalities said, "Following the technical assessment, Committee representatives visited the manufacturing facilities of some vendors to conduct direct evaluations of completed housing installations utilizing the proposed systems, including an on-site inspection of capsule housing units in use to assess performance under actual occupancy and environmental conditions. This formed part of the Committee's broader due diligence process prior to making its recommendations." Will the Honourable Minister please advise this Honourable House of (i) the names of each manufacturer visited by AHAC representatives and/or the Minister, (ii) the date of the visit to the manufacturer visited by AHAC representatives and/or the Minister, (iii) the identity of the representatives of the manufacturer that the AHAC representatives and/or the Minister met, and (iv) the costs of all travel expenses incurred by BHC/AHAC/BLMC/the Ministry of Housing and Municipalities to attend the meetings with the said manufacturers?

A.3

(i) AHAC representatives visited the facilities of:

- Preconco in Barbados; and
- Coastal Precast Systems in Virginia.
- Holi Haus, Argentina, September 2025

(ii) The visits took place in February 2026.

(iii) Mark Maloney, Preconco. Paul Ogorchock and Brandon Mowrey, Coastal. Guido Tizado, Holi Haus (capsule housing).

(iv) The records disclose travel expenses incurred for:

- Andrew Dias (BLMC);
- Mark Melo (BHC);
- Keino Furbert-Jacobs (BHC); and
- Lakila Bell (BHC).

The costs disclosed were:

- Airfare: \$12,680.95;
- Hotel: \$2,573.95;
- Food: \$1,333.59;

for a total of \$16,588.49.

Approved by the Hon. Minister Zane Desilva, JP MP


